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NEWS SUMMARY

GENERAL

Khomeini backs Iran paralysis

Ayatollah Khomeini has called on Iran's state employees to reinforce the country's paralysis and bring down the Government.

On his first day back in Iran after 14 years in exile, the Ayatollah immediately began to direct the final stages of the revolution that has forced the Shah to leave.

He told thousands of adoring followers that it was forbidden to obey the Government, and that it was hostile propaganda that the people would not be free under an Islamic government. **Back Page**

BUSINESS

Equities fall 1.2; U.S. gold up \$7.60

● **EQUITIES** traded mainly in secondary shares but lost early gains, reflecting after-hours news of the strike threat at BL Cars. The FT ordinary share index was 1.2% lower at 467.3, but was up 2.3 on the week.

● **GILTS** continued uneasy, being further unsettled by this week's Treasury bill rate rise. Longs showed losses of up to 1/2 and shorts up to 1/2. The Government Securities Index fell 0.24 to 65.99.

● **STERLING** traded steadily and closed 10 points lower at \$1.9900. Its trade-weighted index remained at 63.4. The dollar lost early gains and its depreciation widened to 7.6 (7.5) per cent.

● **GOLD** rose \$11 to \$231 1/2 in London. In New York Comex gold February settlement was up \$7.60 to \$390.00, while silver gained \$18.10 to \$688.00.

● **WALL STREET** was lower at \$24.93.

● **CANADIAN DOLLAR** touched its lowest level since 1952 this week and the Bank of Canada government has been asked by parliament to explain the continuing decline. **Page 2**

● **OFFICIAL RESERVES** showed an underlying rise of \$75m in January, highlighting the strength of sterling in spite of renewed fears about inflationary pressures. **Back Page**

● **U.S. COURT** has recommended that Wiscope S.A., a Swiss-based commodities futures trading subsidiary of Guinness Dist, should be barred from trading on U.S. exchanges. **Back Page**

● **KIRKBY** Manufacturing and Engineering workers' co-operative, Merseyside, hopes to attract support from overseas following the Government's rejection of a further \$6m aid application. **Page 3**

● **FERRANTI**, the electronics group controlled by the National Enterprise Board, has agreed to sell its Canadian subsidiary Ferranti Packard to Northern Engineering Industries for \$7.6m. **Page 3**

● **COUNCIL** for the Securities Industry, the independent City "watchdog" is to consider taking a role in the enforcement of accounting standards. **Page 3**

Vicious dead

Punk rock star Sid Vicious has been found dead in New York one day after leaving jail. Police say he died from an accidental overdose of heroin.

Vicious, 21, was on bail awaiting trial for the murder of his girlfriend, Nancy Spungen. He was found dead in the Greenwich Village flat of his latest girlfriend, Michelle Robinson.

Vote pledge

The South African Government will introduce legislation this year to give the vote to coloured people and Indians, President John Vorster said. A date would be fixed as soon as possible for a general election.

Checks stopped

Home Secretary Merlyn Rees has banned tests on immigrant women to find out if they have borne children. The announcement follows reports that an Indian schoolteacher had a "virginity check" as she flew to airport last week. The Indian Government has protested at the incident.

Cheap fares ban

British Airways is to withdraw cheap travel concessions from staff who take part in unofficial strikes. The 58,000 employees and their close relatives can fly for 10 per cent of the normal fare if seats are available. **Page 4**

Sithole claim

Chairman of Rhodesia's Executive Council, the Rev. Nkomo, has claimed that a UK Tory Government would recognise Rhodesia after the one-man, one-vote elections in April. He has just returned from a 10-day visit to Britain.

Arms charge

Two Irishmen were arrested on the Greek border with Turkey, and charged with smuggling arms and ammunition into Greece.

Liberal strategy

Liberal MPs will next week unveil their likely election strategy when they begin a five-week tour of the country. The tour is aimed at restoring party morale, and re-establishing the party as a serious force in politics. **Page 3**

Final tribute

Representatives from 44 countries and many U.S. politicians joined President Jimmy Carter in a final tribute to Nelson Rockefeller in Manhattan. The former Vice-President died last week.

Briefly

Heavy snow has hit the North again, and black ice and flooding have caused chaos in the Midlands and East Anglia.

Two young children were stabbed to death and a third badly injured at their home in Willesden, North London. Scotland Yard said a woman was being questioned.

Former England football manager Don Revie is to ask the High Court to set aside his 10-year suspension from English football imposed in December.

COMPANIES

● **HARDY (FURNISHERS)** has cut pre-tax losses from £864,000 to £240,000 for the 28 weeks to October 14. Turnover rose from £15.99m to £19.95m. **Page 20**

● **HIRST AND MALLINSON** saw pre-tax profits rise 35 per cent to \$445,100 for the year to October 28, after second-half profits increased to £320,000 (£113,400). **Page 20**

● **COMINCO**, the Canadian metals and mining group, increased net earnings for the fourth quarter to C\$63m (£26.5m), a rise of C\$800,000. **Page 21**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

AGB Research	146 + 9	Mountview Exts.	106 + 5
Alcan Aluminium	154 + 8	Regional Props.	88 + 7
BB & EA	56 + 6	Smith (W.H.) A.	146 + 5
Bibby (J.)	295 + 10	Standard Chartered	462 + 14
British Aluminium	885 + 30	Unitich	181 + 8
British Enkalon	22 + 3	Yarrow	345 + 9
Caledonian Hldgs.	83 + 5	BP	926 + 12
Centropvincial Ests.	97 + 5	General Mining	450 + 30
Dixon (D.)	150 + 4	M.L.M. Hldgs.	270 + 8
Dewey	269 + 9	North Broken Hill	137 + 9
Eurotherm	245 + 8	Roan Cons. Mines	100 + 7
Ferranti	372 + 12	Sabina Inds.	58 + 10
Glaxo	56 + 6		
Groffman Stores	188 + 17		
Intercomp. Props.	52 + 2		
Int'l. Thomson	179 + 6		
Ladbroke	140 + 5		
Magnet & Southern	106 + 5		
Manders	108 + 5		
Marshall's Universal	148 + 12		
McKay Secs.	115 + 10		

Water workers' employers pledge to improve offer

BY PHILIP BASSETT and NICK GARNETT

Water employers made it clear last night that they were prepared next week to improve their 13.9 per cent pay offer to the industry's 33,000 manual workers.

Pay negotiations were adjourned last night without the offer being increased, despite a threat from leaders of 10,000 National Union of Public Employee workers in the industry to strike next week if it was not improved.

Negotiations will resume on Monday. Sir Robert Marshall, chairman of the employers' side of the National Water Council which represents nine regional water authorities, would not indicate by how much the offer was likely to be improved.

Water workers are already taking unofficial action in Liverpool, the North-West, parts of South Yorkshire and Leeds.

NUPE said yesterday that the 13.9 per cent offer had been rejected in a ballot by 91.1 per cent of its waterworker members. The result is in line with similar rejections by water workers in the other two unions in the industry, the dominant General and Municipal Workers' Union and the Transport and General Workers' Union.

Mr. Reg Pace, a NUPE official, said the union's members would be looking for the "going rate" in the private and some parts of the public sectors, which he estimated at 15 per cent.

In the local authority dispute, employers and union officials will meet on Wednesday, but Mr. Roy Hattersley, Prices

Secretary re-emphasised yesterday that the Government would not consider funding any offer above 8.8 per cent, which is already above the limit allowed by its pay policy.

Officials of the four unions involved in the public sector disputes met yesterday and are to sanction strikes by more than 10,000 workers next week.

The main impact of industrial action, however, has been caused by overtime bans and work to rules. The Department of Health said yesterday that the position had worsened and it was becoming increasingly difficult to find beds for admissions.

Hattersley rules out more than 8.8 per cent for council workers, **Page 3**

British Airways to stop unofficial strikers' cheap travel, **Page 4**

York Trailer claims damages, **Back Page**

The position was particularly serious in London, where ancillary workers in a number of hospitals have decided to strike over the weekend and next week. These include St. Mary's Hospital, Paddington, where ancillary workers belonging to the National Union of Public Employees voted for a three-day strike from midnight tomorrow.

BP to cut crude oil supplies by 45%

BY KEVIN DONE, ENERGY CORRESPONDENT

British Petroleum is cutting crude oil supplies to all its customers by 45 per cent in the first three months this year, because of the worsening state of world oil markets.

BP, which normally takes up to 40 per cent of its crude oil supplies from Iran, warned customers four weeks ago that it was cutting supplies by 30 to 35 per cent in the first quarter.

It has now been forced to impose an even greater reduction in supplies, partly because of its apparent inability to replace the lost Iranian production from other sources, and partly because of the mounting uncertainty over how long the tunnel in Iran will last.

The final cargo of crude oil to be exported from Iran left the Gulf on December 26. It has taken several weeks for the effect of the total shut-down of Iranian exports to work its way through the supply system. But according to oil traders in London last night the spot market for crude oil and for refined products has been overtaken by panic-buying.

The spot markets only account for a small percentage of overall world crude oil trade. But there is a growing fear that if spot prices continue the dramatic rise of the last two days, the OPEC countries could respond by introducing further crude oil price increases in the near future.

Crude prices are already set to rise by 14.5 per cent by the beginning of October, bringing the price of Arab light crude, the marker for other crude oil prices up to \$14.54 a barrel. A 5 per cent first stage increase was introduced on January 1 bringing Arab light up to \$13.34 a barrel.

The spot crude market has been virtually wiped out because of the lack of available supplies, but traders in London reported last night that a cargo of Arab light could now command prices well in excess of \$20, a premium of as much as \$7 over official OPEC prices.

A Rotterdam cargo was apparently sold at a delivered price of \$23. A cargo of Iraqi Bahrah light, with an official price of \$15.29 was offered for sale for the second half of February at \$22.00. A U.S. independent oil company was reported to have emerged as a potential buyer yesterday afternoon, but by then the asking price had risen to \$25.00.

Spot prices for all products have also risen dramatically. The sale of a cargo of premium petrol was reported in Rotterdam on Wednesday at \$25 a tonne. Yesterday a trading company reported the sale of two large cargoes at \$302.50.

Treasury bill tender rate up

BY PETER RIDDELL

UPWARD pressure on short-term interest rates was maintained yesterday with a further sharp rise in rates at the weekly Treasury bill tender.

The authorities show no signs of softening their stance of waiting to see what happens on the pay front while meanwhile keeping Minimum Lending Rate unchanged at 12 1/2 per cent.

But the Money market pressures are increasing. The average rate at yesterday's tender rose by 0.409 to 12.496 per cent. This would have meant an MLR of 13 per cent under the market-related formula abandoned last June.

This rate means the true yield on bills is high enough to allow discount houses to finance their books profitably by borrowing from the Bank of England at MLR. The authorities are hopeful that the houses will not abuse this position and the Bank could take action if necessary. MLR is only a minimum rate.

But this may mean only a postponement of a rise in short-term rates. The clearing banks face pressure to increase their base lending rates because of the rise in the cost of their money market funds, but they may be reluctant to make changes ahead of the announcement in the middle of this month of big profit increases for 1978.

Prices of gilt-edged stock fell again yesterday—to their lowest level since March 1977—with declines of 1/2 a point on long-dated issues.

The Government is reluctant to alter its policy while there is uncertainty both about the level of pay rises and about the possible impact on public sector borrowing and the economy generally. The authorities presumably want to take stock of the overall fiscal and monetary prospects later on, rather than take premature, and possibly wasted, action now.

Moreover, there is no immediate external pressure in view of the stability of sterling. The City will watch closely to see if the mid-January banking figures indicate any change in domestic monetary influences.

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Threat of total strike at BL Cars

By Arthur Smith, Midlands Correspondent

BL CARS union leaders are recommending a total strike by the company's 100,000 manual workers from next Friday—a stoppage which both sides agree could be "disastrous" for the State-owned concern.

The action, agreed in Coventry yesterday by the trades union side of the national joint negotiating committee, is in protest at the company's refusal to go ahead with parity payments worth up to £10 a week to some workers.

Management maintains that such awards must be self-financing. Poor output in the last three months because of internal disputes and the lorry drivers' strike, meant the company could not afford to make payments scheduled for this month but backdated to November 1.

High output in the next two months might make it possible to pay the money from January, the company said.

Mr. Grenville Hawley, automotive secretary for the Transport and General Workers' Union, maintained that workers who had voted by a 2-1 majority last December to accept a total package worth up to 16 per cent, had been "misled." They would not have settled for the straight 5 per cent now being offered.

The company had reneged on the deal, he said. For their part, the workers had increased output, improved productivity in some areas, and allowed 7,000 redundancies.

Mr. Hawley was convinced the Government was not fully aware of developments at BL. The unions would make representations to Ministers and the National Enterprise Board, the group's controlling shareholder.

The likelihood of agreement between the two sides being found over the next week appears remote. The main hope of management must be that support from the workforce for a stoppage at this time will not be complete. There is a belief that the shop floor attitudes have changed and employees realise that strikes will put the company at risk and cut jobs.

A meeting of senior shop stewards, planned for Monday, is likely to endorse the strike call. Low-paid factories, such as Longbridge, Birmingham, where many of the 20,000 workers would have gained increases of up to £14 a week from the package, are expected to be sympathetic to action.

But even at the well-paid plants of Rover, shop stewards

Dutch £50m offer rejected

Battle grows for English Property

BY MICHAEL CASSELL

THE FIGHT for control of English Property Corporation was stepped up yesterday when Wereldhave, the Dutch property group, made a revised £50.2m cash offer for the company.

The board of EPC met last night, at the end of a day of hectic activity, and rejected the Dutch offer. Mr. Stanley Honeyman, chief executive, said the bid was "simply not enough" and that his directors were prepared to sit and consider any offer "in the light of our shareholders' best interests."

But Wereldhave said that its 46p a share bid—compared to its original offer of 37p—had been accepted by Eagle Star, which holds 37.2 per cent of EPC's equity and which earlier in the day had its own 46p a share offer rejected by EPC.

Announcing its decision to turn down the Eagle Star proposals, which were "inadequate in amount," EPC said the terms demonstrated the "total inadequacy" of the original Wereldhave offer.

In yet another development yesterday—a day in which EPC shares were suspended until Monday at 46p—the company revealed that it was having talks with Olympia and York Developments of Canada, to establish whether there was a basis on which an offer could be made for the UK group.

Last night, Rothschilds, the merchant bank acting on behalf of Olympia—probably the largest privately-owned property company in Canada—said it was proceeding with its examination of EPC's figures but that it was too early to say whether a bid might follow.

This weekend, EPC is sending out to its shareholders a set of draft accounts to the end of October 1978, containing the long-awaited property revaluations and inevitably due to be used to justify the board's rejection of all offers so far.

Eagle Star submitted its proposals for a cash offer to EPC earlier in the week and asked the Board to reply to its initiative by noon yesterday.

The insurance company said last night that although its own offer had lapsed as a result of the EPC rejection, it was prepared to accept the Dutch offer for its EPC shares "in the absence of any improved offers during the currency of the revised offers by Wereldhave."

It pointed out that Sir Denis Mountain, chairman of Eagle Star, and Mr. F. A. Davies, deputy chief general manager of Eagle Star, both of whom are also directors of EPC, will continue to take no part in the deliberations until the final outcome is known.

Wereldhave, the largest independent international real estate investment group in Holland, said that it had been able to increase its bid as a result of the sale by EPC last month of a Nice development for £5.5m, resulting in a book profit of about £4.8m.

Revised

Under the revised terms, Wereldhave is offering 46p cash for each ordinary share (conditional upon 90 per cent acceptance) 92p cash for each preference share and £107.84 cash for the 6 1/2 per cent Convertible Unsecured Loan Stock.

Olympia and York's interest in EPC stems from the UK group's half-share in its Canadian-based Triplex associate. The other half is owned by the Brofman property family, which itself cannot be ruled out as a potential bidder.

Olympia currently owns about 35m square feet of property in Canada and North America, including Toronto and Calgary. Its American activities extend only to New York, where it purchased a portfolio of seven buildings in 1977. So far, the company has no investments in Europe.

Rothschilds said last night that as Olympia was a private company it was not at this stage disclosing any financial information. He said the company's approach to EPC was first made last week and that it would take a week or ten days before it had assembled and evaluated all the necessary information.

Asked if talks with Olympia would now continue, Mr. Honeyman said he preferred not to comment on anything other than his board's rejection of the Eagle Star bid.

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AN OFFER FROM M&G

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THE M&G GROUP

OVERSEAS NEWS

The U.S. wants to woo China without alienating Russia

Carter keeps his balance

BY COLINA McDUGALL IN WASHINGTON

DURING THREE days of talks with the Chinese vice-premier Deng Xiaoping (Teng Hsiang-ping), President Carter seems to have pulled off a balancing act between Peking and Moscow.

With a visit from the Soviet President Mr. Leonid Brezhnev pending, this refusal to be swayed ought to soothe Moscow's anxiety about a possibly anti-Soviet U.S.-China axis.

The Chinese vice-premier may have taken away with him a better idea of President Carter's problems with Congress in completing the switch of relations to Peking.

Mr. Deng's remarks to Congressmen to the effect that China was seeking the peaceful reunification of Taiwan mollified the middle-of-the-roads, who were not so much hostile to China as concerned about the vice-premier's measured and diplomatic reply impressed both the Republicans and Democrats to an extent that seems certain to smooth the path to much closer bilateral relations.

The vice-premier scored a major point in securing an admission from Senator Jackson that China's admission rate allowed it to qualify for most

favoured nation treatment. The Jackson-Vanik amendment to the 1974 Trade Act withholds most favoured nation treatment from countries that restrict emigration. This could raise a problem. MFN is denied to the Soviet Union, and if China alone were conceded it, the President's "even-handed" treatment of the two Communist giants might look less credible.

Mr. Deng's implied assurance that Taiwan would keep its autonomy, its political and social system, its defence equipment, and its foreign relations if it would simply acknowledge Peking as China's capital calmed considerable Congressional alarm. This improved atmosphere will be vital to ensure the safe passage of legislation to provide the framework for future U.S. relations

with both Peking and Taiwan. Congress has to authorise the establishment of an American Institute in Taiwan which will replace the embassy and perform all its functions so as to retain the link between the two countries. It will be staffed entirely by retired foreign service officers.

Following that will come assorted trade legislation on questions like MFN and Eximbank financing. The U.S. Secretary of Commerce, Mrs. Juanita Kreps, is to go to Peking in April to discuss a trade agreement which will be tied in closely with these other matters. Unless these matters get Congressional approval, Sino-U.S. trade could be seriously affected. Without MFN China will find it difficult to increase its exports

significantly, and without Eximbank financing at rates similar to those offered by ECID. American businessmen will not be able to compete with Japanese and Europeans who are already discussing huge deals with Peking for capital equipment.

There is some uneasiness that increased Chinese exports to the U.S. could mean a deluge of low cost textiles or shoes. Peking would probably accept some kind of quota system with reasonable grace to keep the new relationship running smoothly.

On the debit side, Mr. Deng may have heightened two of President Carter's problems. One is the question of the proposed SALT agreement, which, when it is tabled, will require a two-thirds majority in

the Senate to ratify it. If Mr. Deng succeeded in communicating Peking's distrust of Moscow to Congress, he might just swing the balance in what is already an uncertain situation.

The other is China's embassies support for the guerrillas in Cambodia and the sabre-rattling of the last few days on the Vietnam-China border. If Chinese troops were to cross it, the Sino-American honeymoon would be seriously blighted. The vice-premier publicly declared Chinese support for the guerrillas during his Washington stay, and he hinted that Peking's thinking on further action was still pretty fluid.

The vice-premier had a rendezvous with Prince Sihanouk, former leader of Cambodia, on his last night in the U.S. capital which suggests the Chinese are keeping open as many options as possible. This is perhaps the wisest attitude since a relationship with the U.S. and the West in general is currently the foundation of their foreign policy and modernisation programme.

Russia warns West against joining 'anti-Soviet policy'

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT, IN MOSCOW

SOVIET FEARS that normalisation of relations between the U.S. and China would be followed by Chinese attempts to influence American opinion in an anti-Soviet direction have been confirmed by Mr. Deng Xiaoping, the Chinese Deputy Premier's call in Washington for a united front against the Soviet "polar bear."

Mr. Georgi Arbatov, Director of the U.S.-Canada Institute, told the Financial Times yesterday that "we were originally assured that normalisation would be a sound process, a stabilising factor in the world which would help to involve China in the international community and the process of détente. Now we have the visit which shows to the contrary that the Chinese are trying to involve the U.S. and the West in an anti-Soviet policy."

top foreign policy adviser to the Soviet leadership, said that Mr. Xiaoping's suggestion that the U.S. and China had common strategic interests raised all sorts of questions.

All the talks on arms limitation will become an Alice in Wonderland enterprise if the West simply agrees to lower ceilings in some part of the globe and then channel arms and hefts up forces elsewhere," he said.

"What we have seen from Mr. Deng Xiaoping, he added, is a very definite attempt to outline to the West plans of a military-political alliance and to pump up the importance of China itself in such an alliance."

He warned, however, that "if relations between the West and China grow into a military-political alliance directed against the Soviet Union we would have to reconsider the whole political situation. It would create a new picture of the intentions of the Western powers and the whole political and military structure of the use of or at least the threat of use of military force. This would hardly leave the place for the sort of understandings which led to détente."

Moscow missile test threat to SALT

BY DAVID BUCHAN IN WASHINGTON

THE SOVIET UNION is reported to have conducted several long range tests of its own cruise missiles. U.S. officials, who believe the Russians may have used their backfire bomber to launch the missiles, say the development could have serious implications for the strategic arms talks (SALT).

It would have to come under the ceilings on strategic weapons that have so far been agreed in the SALT 2 negotiations.

The Backfire's role is still an issue at dispute between the U.S. and the Soviet Union. If reports of its use in launching long range Cruise missiles are confirmed, they will confirm scepticism about the proposed SALT 2 treaty in Congress, which this week was treated to warnings from the Chinese Vice Premier, Mr. Deng Xiaoping, about the folly of relying on agreements with the Soviets.

Sihanouk to carry on Cambodia fight

BY COLINA McDUGALL IN WASHINGTON

PRINCE NORODOM Sihanouk, the former Cambodian leader, has agreed to return to Peking to continue the struggle against the Vietnamese-backed government of Heng Samrin. The Chinese have thus scored an important point in the struggle for Cambodia: in salvaging their S.E. Asia policy; and perhaps even in reducing the influence of the Soviets who backed the Chinese invasion of the country.

his previous plan to retire to France. The Prince's refusal to rejoin the Pol Pot forces is a blessing in disguise for the Chinese since it will give them the opportunity to put together a broader united front Cambodian leadership. That will enable them to shed the burden of supporting the brutal and unpopular Pol Pot regime and move towards a more acceptable compromise leadership.

It is even possible that some such solution could eventually be acceptable to the Vietnamese to rescue them from the debilitating guerrilla war which they no longer look like winning easily. Prince Sihanouk disclosed that Hanouk had proposed to him through an intermediary while he was in hospital in New York that he should lead the new regime in return to Peking, surrendering

PrinCe Sihanouk had a meeting with Chinese vice-premier Mr. Deng Xiaoping before he left Washington at which the Peking leader tried to persuade him to go back to Cambodia to support the Pol Pot government, now fighting a guerrilla war against the Vietnamese invaders. Prince Sihanouk refused to go back to Cambodia, but he accepted Mr. Deng's proposal to return to Peking, surrendering

Record decline of Canadian dollar sparks political row

BY JIM RUSK IN TORONTO

THE CANADIAN dollar has been pushed to its lowest level in nearly 50 years in recent currency trading. During Thursday's trading on the North American inter-bank wholesale market, the currency touched 83.2 U.S. cents, the lowest level since early 1933. The dollar took its sharpest tumble on Wednesday when, despite heavy intervention by the Bank of Canada, it fell to 83.38 U.S. cents from 83.7 cents the day before. Trading was lighter on Thursday and the close was off only slightly 83.35 U.S. cents.

Mr. Gerald Boney, Governor of the Bank of Canada, has been called to appear before the Commons Finance Committee to try to explain the dollar's weakness while for three consecutive days in the Commons this week the Progressive Conservative opposition leader Mr. Joe Clark has spearheaded demands that the Government empower

the Finance Committee to conduct an inquiry into the dollar's weakness.

The mid-week weakness was attributed to fears that Canada might resort to currency controls in an attempt to relieve pressure. However Canadian Finance Department officials have tried to allay fears of controls by granting Press interviews in which they claim the controls would be a bureaucratic nightmare that would likely be unworkable in an economy as open as Canada's.

The other factor touching off the current round of selling has been the report that the 1978 trade surplus was \$3.52bn a level well below the forecast of both the Federal Government and many business economists. Estimates of Canada's current payments deficit for 1978 are now running at \$4.5bn. Traders are also looking closely at Canadian Government

moves to borrow currency in foreign markets to bolster the dollar and some are starting to draw pessimistic conclusions about the effect on Canada's balance of payments deficit of the cost of these massive borrowings.

Furthermore a quick recovery in the exchange rate is not expected as it will be difficult for Canada to improve its merchandise trade surplus because of the weakness forecast for the U.S. economy this year.

A bitter and rancorous exchange occurred on Thursday in the House as the Prime Minister Mr. Trudeau and Mr. Clark clashed over the Opposition request for an inquiry. Mr. Trudeau rejected the demand despite the fact that the Opposition leader had a letter from Mr. Bob Kaplan, the Liberal Chairman of the Finance Committee, agreeing that the Governor should be summoned.



Sig. Enrico Berlinguer, the Italian Communist Party leader, after talks yesterday with President Pertini.

Barre sticks to his economic guns

BY ROBERT MAUTHNER IN PARIS

M. RAYMOND BARRE, France's Prime Minister, undeterred by the mounting wave of demonstrations in Eastern and Northern France against the closure of steel plants, yesterday reiterated that he had no intention of modifying the Government's economic policies.

Mr. Barre implicitly rejected the urgent calls by M. Jacques Chirac, the Gaullist Party leader, and M. Francois Mitterrand, the Socialist leader, for expansionary measures to mop up the increasing numbers of unemployed, now exceeding 1.3m.

Mr. Chirac has warned the Government that unemployment has reached dramatic proportions and that there was no prospect for an improvement. The Prime Minister, however, remains calm. This year would be decisive for the recovery of the French economy, which had already made substantial progress over the past two years, he said.

But the economy remained vulnerable as long as industrial structures and the attitudes of workers and management were not adapted to modern conditions.

Stressing that the fight against inflation remained a Government priority, M. Barre affirmed that, for the third year running, the authorities intended to limit wage rises to

increases in the cost-of-living index. This would keep wage increases to less than 10 per cent, given that prices this year are expected to rise by at least 8 per cent.

The Prime Minister also emphasised that the Government was determined to continue its policy of industrial restructuring, to give France a modern and profitable industry which would be fully competitive on world markets.

The freeing of industrial prices, begun in spring last year, was irreversible, he said, but to prevent this policy from giving a new twist to the inflationary spiral, the Government would defend the franc on the exchange markets, maintain ceilings for the money supply, and ensure there was a competitive industrial climate.

The Prime Minister admitted that the high level of unemployment was the biggest blot on the economy. But although the Government had already taken extensive measures to combat unemployment, it would not resort to "any old policies".

Mr. Barre specifically ruled out any substantial reflationary measures for the moment, nor was he prepared to envisage a postponement of industrial restructuring or the creation of what he described as "artificial" jobs.

Cold weather boosts W. German jobless

By Adrian Dicks in Bonn

UNEMPLOYMENT in West Germany rose sharply in January as a result of the un-interrupted hard winter weather that brought construction and other outdoor activities to a halt throughout the month.

The total number of people out of work jumped by 164,000 to 1.7m, while the unemployment rate rose to 5.1 per cent from 4.4 per cent in December.

Despite the very large rise in the unemployment total, Herr Josef Stingl, head of the Federal Labour Office, insisted that the figures continue to point to a further upward trend in economic activity. He said that although the number of unemployed in the building industry had nearly doubled from December to January, to reach some 40,000, it was still 8,300 fewer than in January 1978. Total unemployment was also some 42,000 lower than it had been a year before.

Yet another measure of the continuing strength of the economy came from the further increase of 15,000 to a new total of 237,700 in the number of vacancies over 33,000 more than in January 1978.

Meanwhile the number of people on short-time working was up by some 8,200. For 1979 as a whole, the Economics Ministry has forecast average monthly unemployment of 4 per cent, or well under the 5 per cent interpretation of the January figures is correct, this should not be too difficult to achieve as soon as the economy has recovered from the prolonged effects of ice, snow and freezing cold.

Dutch to join UN force

By Charles Batchelor in Amsterdam

THE DUTCH Parliament has approved the Government's plan to send a unit of 800 men to join the UN peace-keeping force in Southern Lebanon. The Cabinet was criticised, however, for not consulting Parliament before agreeing to the UN's request for a Dutch contingent.

The Government hopes that the force will consist mainly of volunteers. Mr. Willem Scholten, the Defence Minister, told Parliament.

However, the first contingent which is due to take up its duties in mid-March is expected to include some men who have requested not to be sent.

Spanish unions begin a series of bank strikes

BY ROBERT GRAHAM IN MADRID

THE SPANISH banking system faces serious disruption if not complete paralysis today as a result of a strike called by the main trade unions in pursuit of a new wage and working conditions agreement. The unions anticipate that some 90 per cent of bank employees will observe the strike call, especially in the large banks, while management is intending to operate a skeleton executive staff to deal with cash requirements of clients.

The strike is the first in a series of six planned over the next 11 days. The other days planned are February 7, 8, 12, 13 and 14. In anticipation of the strike, banks have taken extra security precautions that have affected the provinces of Madrid, Navarre and Vizcaya all this week.

average increase. The association has indicated it will offer up to the 14 per cent Government-imposed ceiling if the unions accept a change in banking hours that permits nine to five opening hours five days a week instead of the existing nine to two six days a week.

Negotiations between the two sides have not been broken off, and it is possible the some of the further planned strikes will be called off once the effectiveness of today's strike has been measured.

Elsewhere in Spain strikes continued to be widespread. Important differences are still preventing a settlement in the engineering strikes that have affected the provinces of Madrid, Navarre and Vizcaya all this week.

Pakistan acts to revive investment in industry

BY CHRIS SHERWELL IN ISLAMABAD

IN A two-pronged move to boost Pakistan's flagging industrial sector, the military Government's all-civilian cabinet has agreed to abolish the Board of Industrial Management, the body theoretically controlling the country's nationalised industries. It will also establish a financial institution to stimulate private industrial investment.

To improve the low efficiency of Pakistan's public sector enterprises, the cabinet has set up a committee of Ministers which will approve mergers and financial restructuring among more than 60 public units nationalised under the Bhutto regime. Some units will be wound up. But none will be handed back to their former owners, in line with previously announced policy.

To sweeten the entrepreneurial investment climate, the cabinet has established Bankers Equity Limited, a company intended to provide equity support for new ventures in the private sector. The idea is to use surplus liquidity with the nationalised commercial banks to provide funds for equity all through a new financial institution. But the Government acknowledges that the private sector's response to past steps has been poor.

Bankers Equity Limited would receive 40 per cent of its subscribed capital of Rs 250m (£12.5m) from the State Bank of Pakistan, and the rest in equal shares from the five nationalised banks. Authorised capital has been fixed at Rs 1bn, and in due course the subscribed capital would be increased.

The company's main functions are described as "to underwrite and subscribe to the equity of medium and large sized industries and also to provide bridge finance in cover of the equity commitment." The organisation will be "kept free from rigid administrative and financial control of the Government," according to the cabinet decision.

Argentina Governor quits

BY ROBERT LINDLEY IN BUENOS AIRES

GEN. CARLOS BERNARDO CHASSING, Governor of Cordoba Province, has resigned from his post in an act of defiance of Gen. Jorge Rafael Videla, Argentina's President, who had asked the Governor to help relieve the national budget deficit.

In 1977, the year after Gen. Chassing was named Cordoba's Governor by Gen. Videla, the province had no budget deficit, and the amount collected in taxes had increased by 1,900 per cent.

President Videla, who has also asked the two other wealthiest provinces, Santa Fe and Buenos Aires, as well as the Buenos Aires Municipality, for contributions to the national Treasury, yesterday received Gen. Iberico Saint Jean, the Governor of Buenos Aires Province, and Gen. Osvaldo Cacciarelli the Mayor of Buenos Aires.

The national budget deficit has been built up mainly by the outlay on weapons prompted by the threat of war, now over, with Chile over the Beagle Channel boundaries dispute.

Italian deadlock remains

By Paul Betts in Rome

SIG. SANDRO PERTINI, the Italian President, is expected today to give Sig. Giulio Andreotti, the outgoing Prime Minister, the mandate to attempt to form a new Administration to resolve the country's latest government crisis.

During the past 48 hours, Sig. Pertini has held in record time consultations with all the main political parties to seek a preliminary solution to the crisis brought about by the withdrawal earlier this week of the powerful Communist Party from the Parliamentary majority.

However, after Sig. Pertini's two-day consultations, there were no signs that the deadlock between the country's two main parties, the Christian Democrats and the Communists, had been overcome.

Sig. Enrico Berlinguer, the Communist secretary general, renewed yesterday his party's firm demands for direct participation in a new government of "democratic and national solidarity."

But Sig. Benigno Zaccagnini, the Christian Democrat secretary general, against rejected these demands and suggested that a compromise should be formulated over an all-party economic and social programme.

He said the ruling party was prepared to consider any alternative formula to the outgoing minority Christian Democrat government as long as it did not entail the inclusion of Communist cabinet ministers.

In these circumstances, Sig. Andreotti's chances of rebuilding a Parliamentary majority to support what in effect would be his fifth administration appear increasingly dim, despite the apparent unwillingness of all the main parties to risk an electoral confrontation at this stage.

Unless a compromise is reached, the most likely outcome of Italy's latest crisis is an early general election, although should Sig. Andreotti fall, another political leader could be asked by Sig. Pertini to try again.

German-Japan nuclear deal

By Richard Hanson in Tokyo

THE JAPAN Atomic Energy Research Institute says it has concluded a three-year agreement with its West German counterpart, Kernforschungsanlage Julich, to co-operate in the research and development of a thermal gas reactor. Japan hopes to put an experimental thermal gas reactor into operation by 1985.

A thermal gas reactor is a new type which uses graphite as the moderator and helium as a cooling agent. It emits high temperature gases which can be converted into energy for steel and chemical industries. It will also maintain a high heat conduction rate while emitting low amounts of radioactive waste.

Credit Lyonnais changes after foreign stock loss

BY DAVID WHITE IN PARIS

A £4.4M scandal in the London stock and bond dealing operations of Credit Lyonnais, the state-owned French bank, has claimed its first victim.

M. Maurice Genin, the bank's director for financial affairs, has resigned, and the department has been brought under the supervision of M. David Dautresse, deputy general manager and number four in the Credit Lyonnais hierarchy.

M. Georges Branchart, an employee responsible for the bank's foreign stock market section, has been charged by an examining magistrate with embezzlement, abuse of confidence, and forgery. He was dismissed over two weeks ago.

The bank last week started legal proceedings against M. Branchart, Mr. Thomas Stoddart, a British financial analyst, and others, who remain unidentified.

Mr. Stoddart left the bank last year, after the financial affairs department was reorganised in September, and received six months salary in compensation. He has since disappeared. Large unaccounted losses at the London end of the bank's portfolio investment operations were discovered soon after, but did not become public knowledge until last month, when bank employees' unions gave details to the Press.

The bank, in its proceedings, is accusing the British former employee of embezzling FF 6m (£705,000). A further FF 31m remains to be accounted for. The bank said it had not established to what extent this loss was the result of fraud by others or of misplaced investments.

The notice of the financial director's resignation said he would devote himself to his post as head of Banque Franco-Roumaine, which he held at the same time as his directorship. But the bank made clear that the change in management structure was made in the light of the London scandal.

White prisoners set free

BY QUENTIN PEEL IN JOHANNESBURG

FOUR WHITE prisoners captured in Rhodesia by guerrillas belonging to the Zimbabwe African National Liberation Army (ZANLA), supporters of the Rhodesian nationalist leader Mr. Robert Mugabe, were released yesterday in the Mozambique capital of Maputo.

The four, who were captured in different areas of eastern Rhodesia between May and September last year, reported that the guerrillas appeared to be in control of considerable areas along the eastern border.

Mr. Thomas Waggonerworth, a former British Army major seized on his farm near Umtali, said the guerrillas were "well trained, well disciplined and in extremely good morale. Everything they had was made available to us." His impressions were supported by Mr. Johannes Maartens, a South African citizen also captured on a farm near Umtali.

White prisoners set free

BY QUENTIN PEEL IN JOHANNESBURG

Belbridge on the South African border, and Mr. James Black, a forest ranger captured in the Eastern border area of Melsetter. A spokesman for Mr. Mugabe's Zimbabwe African National Union (ZANU), the political wing of ZANLA, said the four were the only white prisoners they held. A "steady stream" of black prisoners would soon be released.

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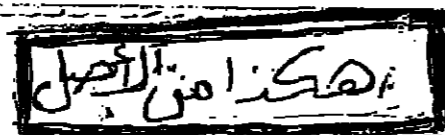
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UK NEWS

Ferranti subsidiary sold for £7.6m

BY MAX WILKINSON

FERRANTI, the electronics group controlled by the National Enterprise Board, has agreed to sell its Canadian subsidiary, Ferranti Packard, to Northern Engineering Industries for £7.6m, it was announced yesterday.

Kirkby co-op hoping for foreign support

BY RHYS DAVID, NORTHERN CORRESPONDENT

KME, the Merseyside workers' co-op, is hoping to attract support from abroad following the Government's decision to reject applications for a further £5m in grants and loans.

Paris flight costs to be halved

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS is to halve the price of one of its London-Paris return flights, as part of a package offering big cuts on most European air routes.

Second ship in doubt as £18m deal agreed

BY LYNTON McLAN

THE BANK and Savill Line is to go ahead with its order for an £18m refrigerated container vessel from British Shipbuilders.

Insurance contracts inquiry

BY JOHN MOORE

CHRISTOPHER MORAN Group, insurance brokers at Lloyd's, revealed yesterday that an investigation is taking place into re-insurance contracts in which it had acted as the broker.

Hattersley rules out more than 8.8% for council workers

BY ELINOR GOODMAN, LOBBY STAFF

MR. ROY HATTERSLEY, Prices Secretary, yesterday ruled out any increase of more than 8.8 per cent to local authority workers as "pure fantasy."

Mr. Hattersley, one of the Ministers involved in discussions with the TUC, said on BBC radio that if the Government started pouring money into the town halls to finance a wage increase of 15 per cent or more it would mean financial ruin for the country.

Liberals' campaign to restore morale

BY OUR LOBBY STAFF

LIBERAL MPs will next week unveil what is likely to be their election strategy when they start a five-week tour of the country aimed at restoring the battered morale of party workers and re-establishing the party as a serious third force in politics.



Into top gear: Mrs. Thatcher examines a machine which turns out cogs for duplicators during a visit to the Gestetner factory in South Tottenham, London, yesterday.

More teeth sought for City watchdog

By Michael Lafferty

THE COUNCIL for the Securities Industry, the new self-regulatory "watchdog" for the City of London, is to consider taking a role in the enforcement of accounting standards.

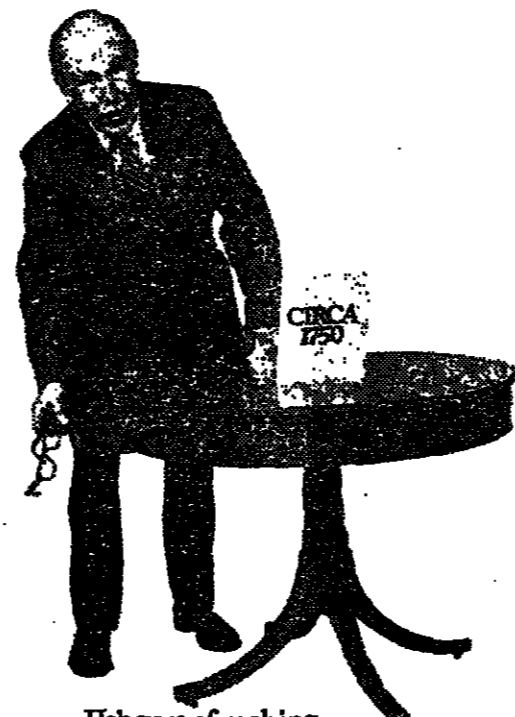
It has been asked to do so by the Accounting Standards Committee and the accounting bodies because of concern about the absence of effective enforcement under the present standard-setting system.

The council will decide on the matter at its next meeting on April 27. But leading City accountants are not optimistic that it will want more than a minor role.

Yesterday's council meeting considered the recommendations of a working party which had been studying the dispute between Allied Breweries and investing institutions at the time of the J. Lyons takeover.

The council has decided to prepare a submission to the Department of Trade on audit committees and the role of non-executive directors.

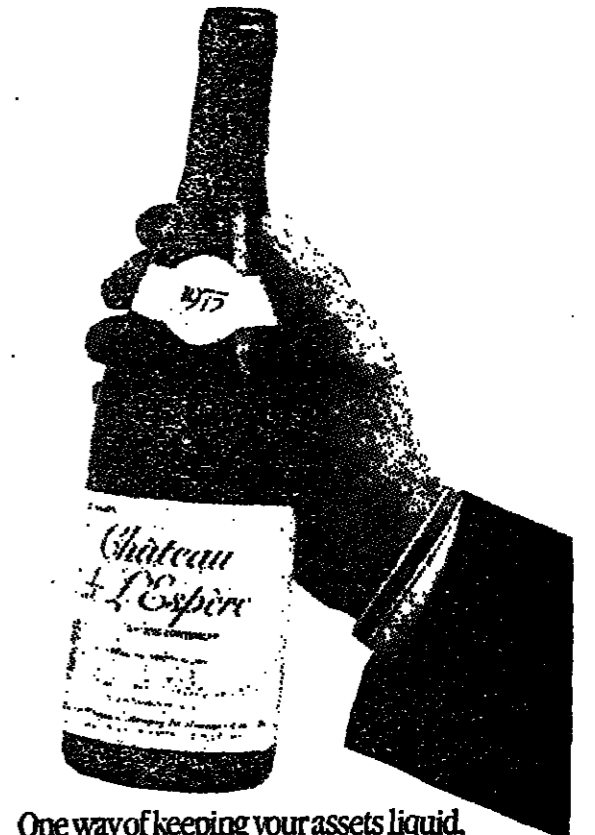
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Campaign to explain change in tax relief

By Eric Short

THE CHANGE in method of tax relief on life assurance premiums is to be explained in a campaign launched by the Inland Revenue.

Under the present system, the premium is paid in full to the life assurance company and tax relief is claimed by tax code adjustment.

Under the new system which starts on April 6 life assurance premium will be paid net of tax relief—fixed at 17 1/2 per cent—and the assurance company will reclaim the balance from the Inland Revenue.

It is estimated that over 1,000 jobs within the Inland Revenue will be saved by the change-over.

Further details are given in a leaflet published by the Life Offices Association, and policyholders are advised to contact their life assurance company for details.

Lord Brooke to sell estate

LORD BROOKE, who recently sold Warwick Castle to Madame Tussaud's, is selling Leafeld Farm, the adjoining 700-acre estate.

The farm, which could go for £1m, is mixed arable and stock, and includes 1,780 yards of double bank fishing on the Avon plus 220 acres of woodland

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UK NEWS

'Crushing blow' to London pride

MR. HORACE CUTLER, leader of the Conservative-controlled Greater London Council, yesterday described the Government's decision not to provide financial backing for the proposed £53m Trammell Crow trade mart in London's docklands as a "crushing blow" to the area.

The proposed mart would have provided 1,000 permanent show rooms for manufacturers of consumer goods.

Mr. Cutler, in a lengthy and bitter statement, said the trade mart was regarded by most people as "the stimulus which would really have put docklands on the map." He said the Government's decision was incomprehensible and had done irreparable damage to London's reputation abroad.

developers will take up the Government's offers of financial assistance.

The final decision not to provide a total of £43m in Government guarantees for the project—but to counter the effect of the decision with offers of £70m to other projects with proven economic viability—was set against real concern that docklands needs a big new development.

NEWS ANALYSIS—DOCKLANDS

DAVID CHURCHILL AND PAUL TAYLOR ON THE TRADE MART DECISION

ment to act as a catalyst for further industrial and commercial regeneration.

The real question facing Mr. Peter Shore, Environment Secretary, and his Cabinet colleagues was, therefore, twofold. First, did the trade mart stand a reasonable chance of success, second, even if the Government guarantees were to be placed at risk, was that risk justified in the wider context of the need to provide docklands with a boost. The apparent answer reached to both questions was "No."

The doubt over the future viability of the trade mart was first raised when Trammell Crow approached the Government for guarantees to secure City investment.

Subsequently, a report by the Industrial Development Advisory Board—set up to vet guarantees under the 1972 Industry Act—is believed to have come down heavily against

the project and further reports by Department officials and a small group of prominent businessmen from the private sector did not substantially change this view.

These reports must be set against Trammell Crow's own survey results which suggested that the trade mart complex could rely on widespread support from UK consumer goods

diverse to support a mart. But now the Dallas marts are extremely profitable.

Supporters of the mart proposal also feel that Whitehall and Cabinet rivalries may have had as much to do with blocking this scheme as questions of commercial viability.

There was understood to be a certain degree of animosity between the Environment and Industry Departments over the scheme since Industry officials were "piqued" that the Environment Department and not themselves was seeking loan guarantees under the Industry Act.

While Britain's consumer industries, such as furniture, clothing, and giftware, will not immediately suffer because the mart project has been shelved, the future for docklands is less certain.

Within docklands there are about 5,500 acres of unused land waiting for redevelopment. Responsibility for redeveloping the area rests with the Docklands Joint Committee, composed of the five London boroughs in docklands, the Greater London Council, the Port of London Authority and other interested bodies.

Following the adoption of a strategic plan for redevelopment over a year ago some progress has been made towards providing the infrastructure for new development.

However, a number of problems made the redevelopment slower than was originally anticipated. Some have been overcome by the both the Inner Urban Areas Act and the Government provisions for part-

nership authorities, both of which have benefited docklands through the provision of limited central Government finance, the changing of main local authority programmes and have given the local authorities additional powers.

In addition, the power of the Docklands Joint Committee has been enhanced by the recent appointment of an executive committee to make day-to-day decisions—thus reducing some criticism that the full committee was too unwieldy to deal with urgent decisions.

The problems that still exist are being examined by the Environment sub-committee of the House of Commons Expenditure Committee.

Catalyst

Throughout the three hearings so far the central theme has been how to encourage private investment in the area. Both Mr. Shore, and representatives from the local authorities accepted that a major new private investment was needed in docklands as a catalyst for other developments.

Trammell Crow might have provided that catalyst. The only other big development under consideration is plans by News International to build a £50m plant in Tower Hamlets.

These are understood to be "near completion" and proposals have been submitted to Mr. Shore for approval.

However, one smaller project about which a decision is expected next week is whether part of the West India and Millwall docks should become the new £7.2m home for Billingsgate fish market.

Power schemes given £150m in EEC loans

BY ROY HODSON

LOANS of £150m have been made by EEC institutions for coal and electricity development schemes in Britain.

The European Investment Bank is lending £101m for power supply schemes in England and Wales. The European Coal and Steel Community is lending £49m to the National Coal Board to finance more colliery investment projects.

Most of the EIB loan—£70m—is to help finance the construction of the pumped storage hydroelectric power station being built at Dinorwic in the Snowdonia mountains, North Wales. The scheme will use off-peak electric power produced at night to pump water to a high-level lake. When power is needed at peak periods the water will be released to drive turbines.

The station is to be the largest of its kind in Europe and its six turbines will be capable of generating 1,680 MW for five hours. The pumped storage station is due to start production in 1981 and will cost nearly £400m.

EIB loans of £49m have already been made towards the project.

The Electricity Council is borrowing a further £31m from the EIB for modernising and extending regional electricity distribution systems. The money will be handled by the Merseyside and North Wales Electricity Board, the North Western Electricity Board, and the South Wales Electricity Board.

The EIB is providing the £101m to the Electricity Council for 15 years at 9.45 per cent.

The ECSC loan to the Coal Board is for schemes to increase production. New coal reserves will be developed with the money at Warsop colliery, North Derbyshire, Brookhouse colliery, South Yorkshire, Thurgate colliery, South Yorkshire, and Trelewis drift mine, South Wales.

Other Coal Board schemes that will be financed with the ECSC money include increasing output from Daw Mill colliery in the Midlands, developments at Cortonwood colliery, South Yorkshire, a new drift mine at Kinsley colliery, Barnsley, Yorkshire, increased output and a new coal preparation plant at Shiremoor colliery, South Yorkshire, and a scheme at the modern Kellingley colliery, in North Yorkshire to develop further areas of coal reserves and to improve surface facilities.

The terms of the loans will depend upon financial market conditions at the time of payment.

Airline to stop cheap travel for unofficial strikers

BRITISH AIRWAYS is to withdraw cheap travel concessions from staff who take part in unofficial strikes in an attempt to improve the "near anarchy" of its industrial relations.

The airline's 53,000 employees and their close relatives can fly for 10 per cent of the normal fare if seats are available under the concessionary scheme, which is seen as a substantial fringe benefit.

British Airways management hope that the threat to withdraw the concession which would be in force for one year for employees taking unofficial strike action will persuade unions to follow agreed dispute procedures.

Mr. Howard Phelps, personnel director, writing in the airline's staff journal, said that between July and January there were 63 unofficial stoppages and 53 other forms of industrial action which had cost the airline £10m in lost revenue.

He stressed that the decision was "not a piece of empty posturing" and that it had been taken against a background of "near anarchy" in the airline. It will be followed through for the sake of the airline, its many staff who have no stomach for self-destructive industrial action and for the sake of its passengers who are being repeatedly treated with contempt.

Industry on the road again after strike

BY LYNTON McLAIN

INDUSTRY faced some transport problems yesterday as attempts were made to return business to normal after the lorry drivers' strike.

A shortage of lorries was reported as most drivers are not expected to return to normal working until Monday. There was little movement of traffic at Tilbury as hauliers faced the added problem of a four-hour strike by dockers.

Elsewhere lorry traffic began moving again and congestion at some ports was eased.

Hauliers who tried to move containers to inland rail terminals were told by operators that there would be no space for the imported containers until export cargoes which had piled up in the strike were cleared.

There was a higher than normal volume of heavy traffic at Dover as manufacturers attempted to ship exports

rapidly to the Continent rather than wait at other ports further north.

The Department of Transport said yesterday that there had been an upsurge in applications from hauliers for Continental haulage permits.

Kendal £1.8m leisure centre

WORK IS due to start soon on a £1.8m multi-purpose sports and leisure centre in Kendal, Cumbria.

The centre, to be known as the Westmorland Hall, will include a sports and music hall, a swimming pool and facilities for leisure and recreation activities.

It is being financed mainly by South Lakeland District Council and Cumbria County Council.

'Keep schools open' plea from Minister

By Michael Dixon

THE CAREER prospects of many children depended on pickets observing the unions' agreement that teachers should be allowed to enter schools to teach examination classes.

Speaking in Stevenage yesterday, Mrs. Shirley Williams, Secretary for Education and Science said "I am not advocating that teachers or others should undertake the work done by members of unions who are on official strike. But there has been agreement that teachers will not be stopped by picket lines from entering schools."

The Minister called on local education authorities to do everything possible to keep schools open so that children of all ages could continue their education.

She added that the education service would undoubtedly suffer if inflationary wage rises forced another round of cuts in public spending.

AA finds fault with petrol duty removal

By Kenneth Gooding, Motor Industry Correspondent

ANY MOTORIST who buys 4½ gallons of petrol a week would pay more tax if the Government goes ahead with its plan to replace excise duty with an increased levy on petrol, claimed Mr. Olaf Lambert, director-general of the Automobile Association, yesterday.

If the new tax added 20p a gallon to the price, and there was a registration fee of 25 a year, anyone buying 225 gallons of petrol a year would pay more than at present.

And if the tax and associated costs were nearer 30p—which is more than likely—anyone buying over 150 gallons a year, or three gallons a week, would find the tax contribution greater, he added.

Mr. Lambert criticised the vagueness of the document on the subject issued by the Government last autumn. The AA was "by no means impressed either with the logic or the basic arithmetic of the case the Government has so far put forward."

He warned that while the registration fee might initially be set at a low figure, it would inevitably present an all too ready source of easily raised revenue.

"Previous experience with the vehicle excise duty strongly suggests that the registration fee would be an easy target for increases as occasions required—and moreover without any compensating reduction in fuel tax."

Mr. Lambert said the AA had a "very good year" in 1978 in financial terms—as would be revealed when the accounts are published in two months' time—and in membership, which reached a record 5.3m.

This year the AA will add 400 patrols, taking the total to 3,600.

Bomb attack widow faces £300 tax demand

A WOMAN widowed by a terrorist bomb attack had her new shock—from the tax man.

Inland Revenue officials have demanded an extra £300 tax on the income Mrs. Lilian Thrupp sets from an appeal fund set up by Birmingham's Lord Mayor four years ago.

But she said last night: "I won't pay it without a fight."

Mrs. Thrupp's husband, Trevor, a railway guard, was one of 21 people killed in an IRA attack on two Birmingham pubs in 1974.

She has since received £2,800 a year from the Lord Mayor's fund, plus nearly £2,000 in widow's pension and child allowances, paying about £800 a year in income tax.

Now she has been told that her annuity is also liable to tax as an investment.

Mrs. Thrupp, of Rodbourne Road, Harborne, Birmingham, said the taxmen originally claimed she owed them £800 for three years, but then halved the demand, admitting that they had not made sufficient allowance for her children, aged 19, 15 and 14.

"The money is taxed before I get it, I pay tax on it—but still they want more," she said. "It's just not on, and I have appealed against it."

British Airports handles 40m passengers in year

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIR TRAVEL to and from the UK boomed last year, with nearly 40m passengers passing through the seven airports owned by the British Airports Authority—Heathrow, Gatwick, Stansted, Prestwick, Glasgow, Edinburgh, and Aberdeen—nearly 15 per cent more than in 1977.

At Heathrow, the number of passengers handled rose 13.3 per cent to 26.5m, while at Gatwick traffic totalled 7.8m passengers, up 17.8 per cent, and at Stansted 317,000, up 5.9 per cent.

In Scotland, the improvement was even greater, with a rise of 18.2 per cent for the year to nearly 5m passengers. The busiest airport, Glasgow, with a 21 per cent rise to more than 2.5m passengers.

A significant feature of the figures is that the number of aircraft movements also rose

substantially, by 12.6 per cent to 504,900.

In the past, the growth in the number of aircraft movements has been much smaller than the growth in the number of passengers, indicating an increasing use of the bigger wide-bodied jets, each carrying more.

The latest figure appears to indicate that this trend may now be petering out, with more passengers travelling on the short-haul routes where most of the aircraft are narrow-bodied.

Cargo traffic did less well last year, with a growth of only 6.4 per cent overall, to 645,600 tonnes. At Heathrow, growth amounted to 4.7 per cent to 482,000 tonnes. But at Gatwick, where a new cargo terminal was recently opened, the growth was nearly 16 per cent to 111,000 tonnes.

● In the first eight months of

the Gatwick-Heathrow helicopter link, more than 37,000 passengers used the service, and it is hoped that, for the first full year of operation, the target of 64,000 passengers will be reached. The single journey on the helicopter normally costs £12, although passengers with tickets for onward flights needing a transfer between the two airports, get the helicopter flight free. The service is run by British Caledonian Airways and British Airways Helicopters.

● The British Airports Authority is to spend £2m on resurfacing the main runway and taxiways at Edinburgh Airport in the next few months, because of surface deterioration. The runway was opened in April, 1978.

The authority says the deterioration "may be the subject of legal proceedings."

European company in contract hire move

By Ian Hargreaves, Transport Correspondent

FRANK SA, which claims to be Europe's largest truck rental and vehicle contract hire company, is moving into the UK market.

The Paris-based company has opened offices in Hounslow, Middlesex, and plans to have a fleet of 100 contract hire vehicles in this country by the end of the year.

Franklin already has subsidiaries in Switzerland and the U.S. and has a total of 9,000 commercial vehicles.

Mr. Peter Fawcett, general manager of the British subsidiary, said at the official launch of the venture yesterday, that the UK haulage market was now ripe for an extension of the contract hire system, whereby hauliers or industrial companies hire rather than own vehicles painted in their own livery and maintained by the hiring company.

Hauliers, following the recent strike and several years of rapidly rising vehicle costs, would be ready to switch from the conventional pattern of vehicle ownership to improve their liquidity.

The company is even offering to buy fleets of hauliers with cash flow problems and contract hire them back to the same operator.

Bilston talks next week

MANAGEMENT and unions are to have further talks next week on the future of Bilston steelworks in Staffordshire. Urgent talks were held yesterday after Wednesday's rebellion by workers protesting at the plant's run-down.

British Steel wants to end iron and steel-making at Bilston under a 10-year plan, which could mean the loss of most of the 2,300 jobs.

Shop stewards, officials of the Iron and Steel Trades Confederation and senior management representatives agreed to a "full discussion" of the issue at the British Steel committee next Thursday.

British Steel planned to close two of the four remaining open-heart furnaces by February 8 but when the first was ordered to be shut on Wednesday, workers defied management and prepared to light a back-up furnace.

Call for close study into why certain foods cause illness

BY DAVID FISHLICK, SCIENCE EDITOR

Doctors now believe that foods—even favourite foods—may be the cause of many more brief spells of illness than has been generally recognised.

A leader in The Lancet today, quoting the 2,000-year-old aphorism "one man's meat is another man's poison," urges a closer study of the problems of food allergy.

Food allergens, it says, are usually favourite foods which are eaten regularly—often in excess—while food fads among children may be a protective mechanism against potential allergens.

Brief illness from foods falls

into one of two main types, such as swellings and rashes—caused by such foods as strawberries, shellfish and eggs.

But cow's milk may cause eczema, asthma, behavioural disturbances, colic—even sudden death.

One U.S. study has suggested that food allergies are responsible for 25 per cent of the cases of asthma in childhood.

Tomatoes, potatoes and gluten—a constituent of wheat flour—can all cause mouth ulcers.

There is also the allergy which is not immunological in nature, and probably arises

from inborn deficiencies of certain enzymes.

The most prevalent reaction of this type is to caffeine, to which some people appear "extra-sensitive," particularly when it is taken in excess, says the article.

The article concludes that enough is now known about intolerance to food to help many patients with troublesome and hitherto intractable symptoms. But some intriguing ideas still remain to be tested—for example, that certain foods may be causes of mental disease, for which there is some experimental evidence in animals.

Prestcold's new deputy 'will play major role in review'

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

PRESTCOLD HOLDINGS, the BL-owned refrigeration and air conditioning group whose future is being reviewed, announced two senior management appointments yesterday.

Mr. Denis Field, 58, is moving from managing director to deputy chairman, where he will play a major role in the review. He is succeeded by Mr.

John Brooks, 38, who takes over day-to-day management, and was previously managing director of Aveling Barford International, also owned by BL.

Mr. Brooks's return to Prestcold, where he is deputy managing director before going to Aveling Barford, is no surprise. The management has considered selling Prestcold to an

outside buyer.

The next stage in the Prestcold and Aveling Barford reviews will be considered by the board of BL in a fortnight. Consultation with unions at both companies will take place meanwhile.

Mr. Brooks is not being replaced at Aveling Barford International.

Treasury entitled to block arts fund Bill

BY IVOR OWEN

TREASURY MINISTERS are entitled to block the Private Member's Bill which seeks to ensure that the £50m voted to the National Land Fund in 1946 is spent on the arts.

This was made clear in the Commons by the Speaker, Mr. George Thomas, yesterday when he ruled on a complaint by Mr. Arthur Jones, Conservative MP for Daventry, the chief sponsor of the Bill, that the action taken by the Treasury contravened earlier rulings from the Chair. Any member was entitled to object to a Private Member's Bill at the appropriate time, he said.

Mr. Jones had earlier maintained that the Treasury was wrong to object to his Bill on the grounds that it created a charge on public revenue because the House had already approved the provision of £50m for the National Land Fund in the 1946 Finance Act.

The Treasury has contested this view in evidence to the Environment sub-committee of the Commons Expenditure Committee, arguing that no such public expenditure took place in 1946.

Mr. Thomas told MPs yesterday his advice to Mr. Jones that there was no objection to his

proceeding with the Bill was based solely on the grounds or merits of the Bill, nor have I any power to accelerate or delay its progress through the House."

But he confirmed that the House passed a resolution on April 17, 1946, authorising the issue from the Consolidated Fund to the National Land Fund of £50m. "It is that fact which influenced me in my opinion that no further charge was created by Mr. Jones' Bill."

The Bill seeks to establish a national heritage fund to which

all sums in the National Land Fund would be transferred. The £50m would then be passed into the hands of independent trustees for spending on the arts.

Mr. Jones was chairman of the Commons select committee whose report led to a campaign aimed at breaking the Treasury's hold on the £50m approved for the National Land Fund.

At the close of the proceedings in the Commons yesterday, a shout of "Object" from the Government front bench again prevented the Bill from obtaining a formal second reading.

STOCK EXCHANGE BUSINESS LAST MONTH

Lack of confidence leads to quietest start since 1974

BY GEOFFREY FOSTER

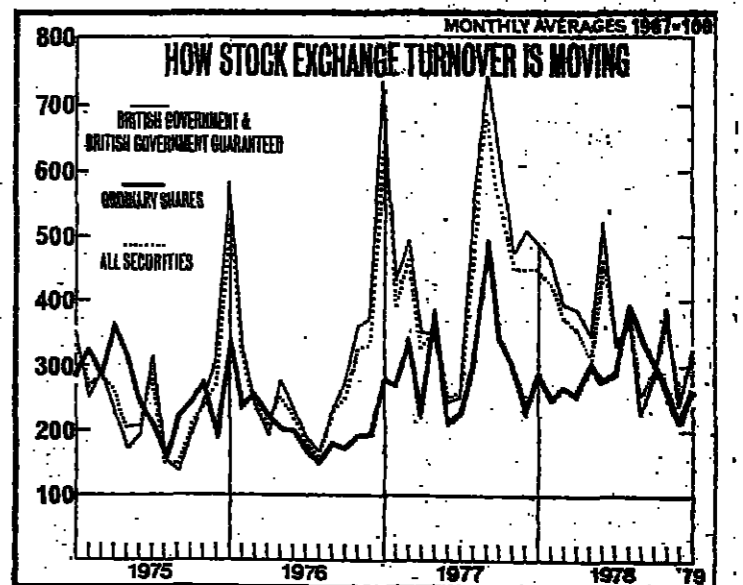
Escalating labour unrest and worries about interest rates served to depress investors' confidence to the extent that last month was the quietest start made to a year since 1974.

Partly due to the fact that there were three more trading days in January, the number of bargains transacted on the Stock Exchange was 25,023 higher than in December at 365,913 while total turnover was up £1,982m to £10,192m. This compares unfavourably with the January 1978 total of £14,700m and the £20,450m of January 1977.

The Financial Times Stock Exchange turnover index for All Securities moved forward to 312.4 from December's 251.1 but compares unfavourably with last year's monthly average of 354.3.

Business in equities rose to £1,465m from December's £1,200m, which was the lowest since June 1977. The number of equity deals improved by 19,738 to 275,788 and the average value per bargain was \$855 up at £5,313. The FT Turnover index for Ordinary shares rose to 261.5 from December's 212.9 and compares with the 1978 monthly average of 285.7.

Equity prices displayed remarkable resilience in January, considering the surrounding gloomy labour, economic and political scenes. Prices drifted lower in thin trading with investors turning their attention from the leaders to the more speculative secondary issues. From an end of December level of 470.9, the



FT 30-share index moved between extremes of 484.4 (January 8) and 461.0 (January 28) before closing January a net 3.2 points lower at 467.7.

Trade in gilt-edged improved from December's low level with business in the sector up by £2bn to £7.6bn.

The number of gilt-edged bargains rose by 8,791 to 56,687 with dealings in the shorts 5,941 up at 25,330. The FT turnover index for 'British Government Securities was 322.0.

Gilt-edged prices wilted throughout the month on concern about the inflationary implications of the current wage

claims, the outlook for interest rates and the disappointing reception accorded to the recent White Paper on Government spending. The Government Securities index fell from an end-December figure of 83.8 to close the month 2.42 points, or 3.5 per cent, down at a 23-month low of 86.27.

Gold shares began the New Year on a firm note as prices moved higher before and after news of the changes in South Africa's foreign exchange policy. The FT Gold Mines index rose 23.8 points (16.8 per cent) to 165.3, after having touched a four-month high of 176.0 on January 24.

Category	Value of all purchases and sales £m	% of total	Number of bargains	% of total	Average value per day £m	Average value per bargain £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	4,414.7	43.3	25,539	7.0	200.7	172,923	1,169
Others	3,183.6	31.3	31,187	8.5	165.9	162,500	1,416
Irish Govt.:							
Short dated (having five years or less to run)	275.5	2.7	1,272	0.3	12.5	216,619	54
Others	270.7	2.6	2,372	0.6	12.2	114,106	103
UK Local Authority:	423.1	4.2	5,959	1.6	19.2	71,902	277
Overseas Govt. Provincial and Municipal:	18.8	0.2	1,295	0.4	0.5	13,468	63
Fixed interest stock, pref. and pref. ordinary shares	133.3	1.3	25,440	6.4	6.0	5,626	1,066
Ordinary shares	1,465.5	14.4	275,788	75.2	66.6	3,212	12,538
Total	10,192.2	100.0	365,913	100.0	48.2	27,767	16,678

* Average of all securities.

THE WEEK IN THE MARKETS

Gilts take all the strain

THE LABOUR news has remained as depressing as ever this week. Some wage settlements have been struck at levels that beat even the most pessimistic forecasts of a few months ago but allowed for, and official figures remain unclear. The Government's determination to hold its monetary policy is still expected to lead to a higher Minimum Lending Rate, and although MLR was held unchanged on Thursday gilt-edged yields have been under inexorable upward pressure.

Yesterday morning yields on the highest-coupon long-dated stocks moved decisively above 14.3 per cent, and stripping out accrued interest in the long tap, Treasury 12 1/2 per cent 2003/05, has fallen 5 1/2 points from the level at which the Government broker last supplied it officially in December. The market is now getting worked up about the money supply, as bank lending is generally supposed to be growing quite fast to finance stocks built up by companies during the halcyon strike. So the pressure on the authorities to start funding again is growing. Whether a rise in MLR now, while labour developments still seem to be deteriorating, would be enough to turn the gilt market round decisively is another question.

Equities retain their miraculous resilience—the FT 30-Share Index has crept back towards 470, showing not the slightest inclination to crack. Institutions still seem anxious to build up holdings of equities relative to gilts, despite doubts about the damage likely to be done to the company sector by a less spectacular increase, but TEF, the first quarter of 1978-79 has been well up on the previous year and forward bookings are healthy.

Despite the strong start to the current year and improvements in the balance sheet TEF, which employs over 50,000 people, cannot be looking forward to its pay negotiations in May. Any dampening of UK consumer spending growth would hurt the group,

although a recovery of the dollar would allow the impact of its expansion in the U.S. to show through in profits more clearly. The shares are selling at 10 1/2 times fully-taxed earnings, against a sector average of 8 1/2.

Badly affected by strikes, the halved interim profit provides a base for no more than about 27m pre-tax in the current financial year, where the prospective p/e must be standing in the middle twenties. But dealers are looking further ahead to a year they hope will be free of industrial problems and showing growth in the market for small electronics systems. That might imply a rating of perhaps 13 times 1978-80 earnings which would fall broadly in line with Rascal and Perranti—always remembering that these companies are anticipating 1979 rather than 1980 results.

Big hopes must inevitably be reflected in the price but it is worth remembering that nobody has declared a 5 per cent stake and, for the moment, dealers report only piecemeal buying of the longish institutional lines that have been periodically coming out.

The discrepancy of around 10 per cent between the voting shares and the unfranchised equity (surely an anachronism) may yet prove significant but in an historic context a voting premium of this magnitude is not wildly out of line.

At the other end of the ratings scale, Lorrho, which announced pre-tax profits 3 1/2 per cent higher at 88.6m, is selling on a p/e ratio of around 3 and yielding just under 16 per cent on an unchanged gross dividend.

Few would argue that some form of get-together would offer a high degree of industrial logic. Similarly, it may be fair to point out that Camrex has been through a rough patch. The former chairman and his son resigned from the board last October after differences on future policy shortly after the group revealed a collapse in interim profits. There are now fears that the final dividend may be passed.

But these difficulties looked surmountable and it seems that both sides had been talking amicably about the benefits of a merger. Camrex's intentions were unfortunately leaked—the

underlying growth pattern can be sustained at the pre-tax level. Recent cigarette price increases in the U.S. and Brazil will help, may provide some relief to BAT's ACT problems by breaking even this time after a loss of about 55m in the year to end September last. The end of the double run of both trading stamps and discounting must be an advantage.

So BAT, like the sector as a whole, should be capable of proving its defensive worth as the market peers into a bleak industrial and inflationary future.

The strength of Decca classes of Decca equity can only be attributed to the fact that the market is prepared to look not just six months but a year and a half ahead when, at March 30, 1980 the electronics group is expected to draw the line on pre-tax profits of around 45m.

Trust Houses Forte's share price touched a new high of 27 1/2 yesterday morning after the company announced pre-tax profits growth of 46 per cent at 155.5m. After-tax figures show a less spectacular increase, but TEF, the first quarter of 1978-79 has been well up on the previous year and forward bookings are healthy.

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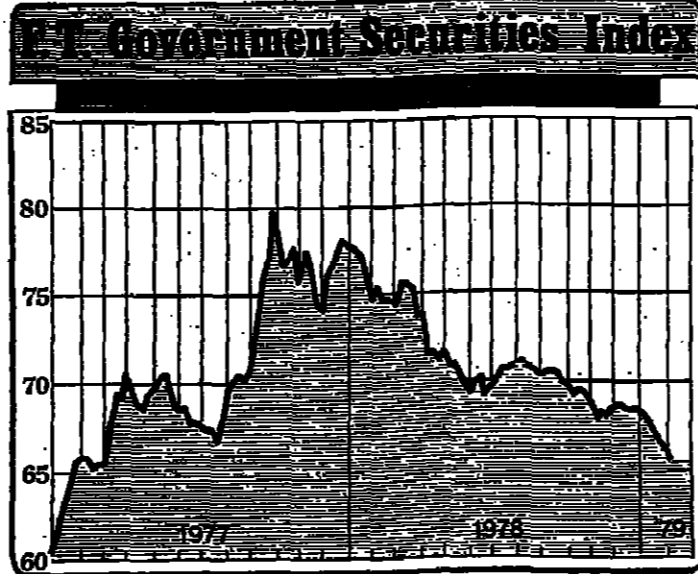
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Stock Exchange is now undertaking a preliminary investigation into dealings over the relevant pre-bid period—and the ensuing confusion forced both sides into what the Camrex camp now admits were "hasty decisions."

With a near 30 per cent holding in Dufay, Camrex is clearly in a position to keep a watching brief on its erstwhile target. Whether Dufay for its part regards that holding as a cuckoo in the nest is another matter. The price, above any

thing else, appeared to be the main stumbling block but a rapprochement would now require some light and tactful bargaining.

U.K. INDICES

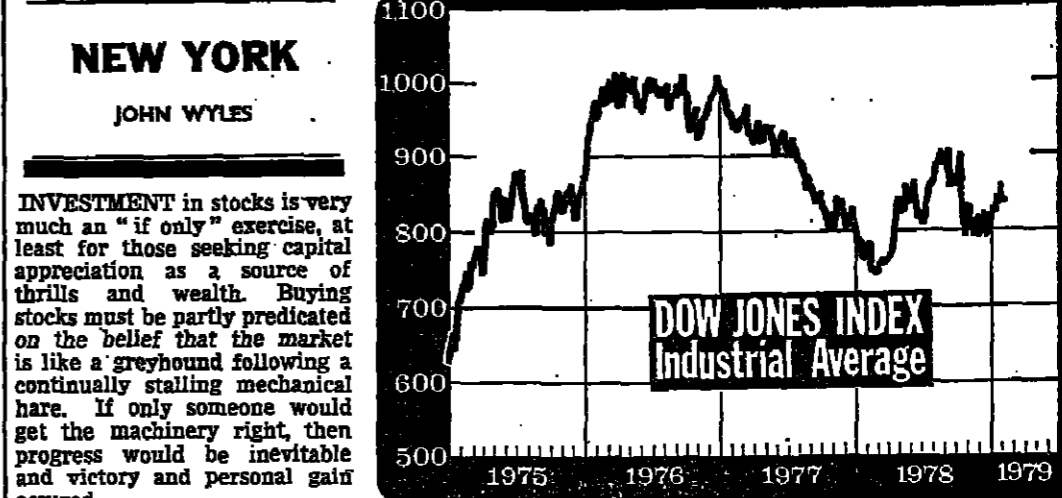
Average weeks to	Feb. 2	Jan. 26	Jan. 19
FINANCIAL TIMES	66.21	66.70	67.66
Govt. Secs.	67.76	68.92	69.99
Fixed Interest	46.66	46.87	47.83
Indust. Ord.	167.9	166.8	166.7
Gold Mines	113.3	113.6	100.6
Do (Ex \$ pm)	4,407	3,920	4,302
Dealings mld.			

TOP PERFORMING SECTORS IN FOUR WEEKS FROM JANUARY 4

Mining Finance	+16.8
Overseas Traders	+8.4
Tobaccos	+4.7
Packaging and Paper	+3.8
Investment Trusts	+3.3
Property	+3.0
All-Share Index	+0.1

THE WORST PERFORMERS

Textiles	-3.2
Insurance (Life)	-3.8
Contracting, Construction	-3.9
Pharmaceutical Products	-4.0
Motors and Distributors	-4.8
Office Equipment	-5.5



NEW YORK JOHN WYLES

INVESTMENT in stocks is very much an "if only" exercise, at least for those seeking capital appreciation as a source of thrills and wealth. Buying stocks must be partly predicated on the belief that the market is like a greyhound following a continually stalling mechanical hare. If only someone would get the machinery right, then progress would be inevitable and victory and personal gain assured.

If only's apply to the financial, economic and political developments which influence the market and also to the choice of individual stocks. Each week brings its share and the past few days have been no exception. If only Ayatollah Khomeini would stop being beastly to Dr. Bakhtiar, then Iran would settle down again, its oil start to flow and the probable need for the U.S. to restrain energy consumption later in the year would be removed. Energy Secretary Schlesinger's warning of possible restraining measures on Wednesday was a dose of poison to the market, not least because it coincided with the frustration of another yearning in the market—if only interest rates would genuinely peak.

As January drew to a close this week the market began to appear increasingly breathless and fatigued and the rally which had added more than 50 points to the Dow Jones Industrial Average was seeming to grind to a halt. On Tuesday the tiny Southwest Bank of St. Louis caused a mild frisson by cutting its prime rate from 11 1/2 per cent to 11 per cent which was sufficient to halt a declining trend in the Dow for a couple of hours before an "if only" came into play. If only a major money centre bank had swiftly

followed the St. Louis Bank's lead then the credibility of this downward drift in an important short term interest rate would have been strengthened. Unfortunately none did, until Chase Manhattan raised its head over the parapet after the close of the market to announce a similar move.

January went out with an agonised cry on Wednesday, partially because Chase was left, and still remains, in virtual isolation as the only major bank to have cut its prime for the first time in more than two years. Moreover, Chase confirmed the general scepticism about this month's softening of short term interest rates by warning that its move should not be seen as a signal that short term interest rates have peaked.

Since this time last year the Dow has risen by 8.5 per cent but as ever this modest improvement masks some spectacular performances by some individual stocks. It is difficult to find an ambitious investor who has not at some time or other reproached himself with a "if only I had seen the potential in this, that or the other stock, I could have made a packet." A fairly common belief is that obscure secondary

stocks are the most promising hunting ground for capital gain and many a share analyst spends hours poring over the balance sheets of small and medium sized companies looking for the thoroughbreds of tomorrow.

But the interesting feature of the New York Stock Market is that if only a number of household names had been purchased at their market lows over the past year, then some very attractive profits could have been made. Take Boeing Corporation for instance. In the past year, the stock bottomed at \$27 1/2 but a relative inundation of new aircraft orders from the world's airlines has carried the price to a 196 per cent gain of \$76 1/2. General Dynamics, the U.S.'s largest defence contractor has appreciated more than 120 per cent, thanks to a settlement of contract disputes with the U.S. navy and the fact that it is now and was a year ago a respectably profitable and well managed company.

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CLOSING INDICES

	Close	Change
Mon.	855.77	- 3.98
Tues.	851.78	- 3.99
Wed.	839.32	-12.56
Thurs.	840.87	+ 1.55
Fri.	834.63	- 6.24

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change on	1978/79	1978/79	
	Ytd	Week	High	Low	
Ind. Ord. Index	467.3	+ 2.3	535.5	433.4	Despite grim labour situation
Government Secs. Index	65.80	- 0.76	78.50	65.80	Interest rate and other worries
Aeronautical & General	130	+ 24	135	85	Bid possibilities
Alpine Holdings	100	+ 17 1/2	100	36	Speculative demand
BAT Inds.	313	+ 30	346	260	Excellent annual results
Bolton Textile	22	+ 5	24	10	Persistent demand in this market
British Car Auction	68 1/2	+ 8	68 1/2	40	Possible bid candidate
Caledonian Holdings	88	+ 20	88	68	London and Midland surprise bid
Castlefield	283	+ 28	305	165	New rationalisation hopes
Chaddeley	75	+ 15	75	34	Investment recommendations
East Lancs. Paper	79	+ 9	80	43	Investment demand
Glanfield Lawrence	56	+ 23	56	29	Bid possibilities
IDC	150	+ 20	150	104	Impressive profits recovery
RTZ	278	+ 20	280	164	Strength of base-metal prices
Roan Consolidated Mines	100	+ 23	100	52	Boom in copper and cobalt prices
Stock Conversion	306	+ 18	310	216	Investment recommendations
Whessoe	101	+ 11	101	63	Favourable press mention
Williams & James	147	+ 22	147	47 1/2	Investment recommendations
Yarrow	245	+ 35	245	260	Vesper increases stake

* Based on Wednesday's opening price.

High-ho Silver

SILVER speculators are smiling again after a long period of discontent. While the surge in copper and lead prices on the London Metal Exchange this year has captured most of the headlines, silver prices have moved to record levels with a rise of over 30 per cent (from 298p to 334p an ounce) in the past three weeks.

The sharp rise in base metal prices which will have more important repercussions for industry, has been one of the influences pushing the cost of silver up too. But it also seems that silver on its own account is now finding favour again with investors.

Last year investors shunned silver in favour of gold and platinum, whose prices rose spectacularly. U.S. speculators exercised their new found freedom to buy gold instead of silver as a substitute, while a shortage of supplies boosted platinum.

However, there are increasing doubts whether the rise in gold and platinum can be sustained to much higher levels, so speculators are taking another look at silver. It is argued that silver, as a traditional "hedge" against

inflation and currency changes, has become very much undervalued and needs to catch up with its fellow precious metals. Although silver has lost much of its monetary role by no

longer being used widely for coinage, it has a growing market in medallions and commemorative collections whose owners welcome an upward trend in prices.

At the same time it is an important industrial metal. Photography is the largest single outlet but it also has big sales to the electrical industry, and for alloys, electroplating, and tableware.

New production of silver, which is mainly produced as a by-product in the mining of other metals, is well below annual consumption. Last year, for example, silver mine output was only 265m ounces against consumption of 423m ounces. A



large proportion of silver used for films is recovered to be used again, but nevertheless there is a substantial supply deficit each year.

However, the fundamental shortfall in production is offset by the "mine above the ground"—the huge stocks of silver built up over the centuries in coinage and by hoarding, especially in Far Eastern countries.

The latest estimate of easily available world silver stocks is some 734m ounces, but it is impossible to say just how much is tucked away in India and other countries which traditionally hoarded silver.

It is also impossible to forecast what price levels are required for these stocks to be attracted to the market. Current thinking is that it will require considerably higher price levels to unleash any major new outflow from surplus stocks bearing in mind inflation and the reduced value of the dollar. But hovering in the background is the possibility of a big release of 139.5m ounces of surplus silver from the U.S. strategic stockpile.

PROFIT FROM PROFESSIONAL WEEKLY INVESTMENT ADVICE

Since 1966, when comprehensive follow-up tables were introduced and have since been published in the IC News Letter, the IC News Letter's weekly share recommendations have on average beaten the FT index by substantial margins, averaging well into double figures (based on share prices a year after recommendation).

The IC News Letter, published every Wednesday, is available on postal subscription only at £36.00 for one year (£40.00 normal) (includes filing binder) or £19.00 (£22.00 normal) for a six-month trial subscription.

Write enclosing your cheque (payable to Throgmorton Publications Limited) to: Marketing Department FTI, Investors Chronicle, ICNL, Freeport, London EC4B 4QJ.

Why investment conditions continue to favour the Save & Prosper Property Fund

Throughout 1978 capital values of commercial and industrial properties moved ahead as rents continued to rise. Rental growth—in some cases up by 30%—was particularly marked in shop properties where increased consumer spending led to buoyant conditions. At the same time rents of prime commercial property in the City of London staged a notable recovery.

Such increases in rental values have been and are likely to continue to be of particular benefit to the Save & Prosper Property Fund which has 45% of its assets in prime shop properties and a further 30% in offices, including a substantial commitment in the City of London. Over the next three years 94 of the 61 properties held have rent reviews and this should lead to substantial increases in the income of the fund.

Rental growth has also reinforced demand from insurance companies and pension funds for prime commercial and industrial property. Many investment managers are pursuing a policy of building up their property holdings to 30-35% of their assets—a figure that many private investors might also consider appropriate.

Despite the sharp rise in interest rates during 1978, yields from prime property have remained remarkably stable, reflecting the current shortage of such properties. With the prospect of only limited increases in the supply of prime property, we believe that the Save & Prosper Property Fund currently offers an attractive investment opportunity.

The fund's managers are advised by Healey & Baker who specialise in shop, office and industrial property throughout Britain. The properties are independently valued at regular intervals by Cluttons, Chartered Surveyors.

EVERYTHING ELSE YOU SHOULD KNOW

Units in the Property Fund are divided into units which are normally valued at £100. The offer price is the price at which units are allocated to your fund and the bid price is that which determines the cash-in value of your fund. The number of units allocated to your fund will depend on the offer price ruling on the day your application is received. All net income received by the fund is automatically reinvested to increase the value of units.

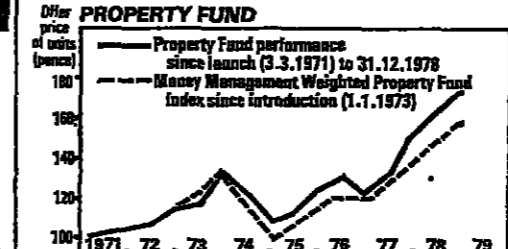
Automatic life insurance should you die while your fund is in force, your dependants would receive 100% and 200% of the bid value of the units then credited to your fund. The actual percentage depends on your age at death, and this percentage is shown for sample ages in the table. A full table of rates is available on request. If you are over 65 when you purchase your fund, we may have to quote you special terms, though the current investment is not affected.

Age at death	Percentage of the bid value of your fund payable on death
Up to 30	200%
30	200%
35	200%
40	140%
45	140%
50	100%
55	100%
60	100%
65	100%
over 75	100%

Changes: There is an initial management charge of 5% plus a recurring adjustment. Once exceeding the lower of 1% or 1% which is included in the offer price of units. There is also an annual charge of 1% of the value of the fund to cover life insurance and administrative costs. The costs of property management, valuation and other expenses of the fund, including buying and selling properties, are borne by the fund. We also reserve the right to amend the policy benefits, if necessary, as the result of any law payable under the Policyholders' Protection Act.

Current tax position: You have no personal liability to capital gains tax as this is allowed for in the price of units. Also you will have no personal liability to basic rate income tax in connection with your fund, either while it is in force or when you cash it in. There may be a liability to higher rate and/or additional rate tax if you are, or become liable to these taxes during a year in which you cash in your fund, or on your death. Withdrawal facility: Basic rate taxpayers will have no liability to income tax on any withdrawals. Higher rate and additional rate taxpayers may withdraw up to 5% of their original investment each year for 20 years without giving rise to any liability to these rates of tax during the period. Such withdrawals will however, be taken into account in calculating any liability to these taxes when the fund is eventually cashed in, or at death. Payments are made half-yearly on the last day of the month you select, the first payment being not less than two months after the purchase of your fund. You may vary your withdrawal rate or discontinue using it, subject to two months' notice being given. Switching facility: At any time you may switch your investment from the Property Fund to one of our other Save & Prosper Group funds, at low cost, and without incurring any personal capital gains tax liability. Full details of this valuable facility are given in the booklet that is sent to you with your policy document. Cash-in: You may cash in your fund at any time and receive its full cash-in value based on the bid price ruling on the last day of the month you select. However, we reserve the right to delay repayment or switching for a period not exceeding six months, in order to avoid having to sell properties disadvantageously. This right, which has never been exercised, would only be used in exceptional circumstances.

SAVE & PROSPER GROUP



Our policy has always been to invest in medium-sized prime properties in carefully selected locations. Such properties are usually in demand when economic conditions are good, and they tend to remain marketable during difficult times.

The fund now has a well-balanced portfolio of 61 properties throughout Britain, and is currently valued at £35 million.

Analysis of fund by type of property

Shops	30%
Offices	10%
Industrial	60%

* Includes 7.5% development commitment

Analysis of rent reviews

Type of property	Number	1978	1988	1991	1992	1993	1995
Shops	43	8	7	5	10	5	5
Offices	18	2	1	1	2	1	1
Industrial	8	3	2	2	1	1	1

About Save & Prosper

Save & Prosper Group was founded in 1934 and in addition to being Britain's largest unit trust group is also a major force in life assurance, pensions and annuities.

At 1st January 1979 the group managed £923 million on behalf

FINANCE AND THE FAMILY

The new state pension scheme

BY OUR LEGAL STAFF

I have recently joined a new company after having had several jobs in respect of which my pension rights are frozen. My new firm has little or nothing in the way of pension provisions, so I suppose it might be better for me to contract into the State scheme, as I understand the pension is awarded on the best 20 years earnings. Is this so?

I understand additional voluntary contributions are tax deductible in their entirety. Could I arrange with my employer and an insurance company to make such eligible payments?

I have read that it is not worth an employee's while to make voluntary contributions if he may move and that he would be better advised to put his money into some form of endowment policy. Do you agree?

You are automatically in the new State pension scheme (the "Castle" scheme) unless your employer has a pension scheme that is better than Castle, and has elected to contract you out. There is nothing to prevent him running a pension scheme on top of Castle and the State flat rate scheme. From what you say, your employer offers "little or nothing" in the way of pension and so we presume that you must be in the Castle scheme.

The Castle scheme only provides benefits for service after April, 1978. You do not state your age. If you are 40 or more

you will only get 1/80th of your earnings in excess of £19.50 per week for each year you contribute and earnings in excess of 7 x this figure are ignored. These earnings are, it is true, revalued but then so is the first tier of earnings that does not count for Castle pensions. It is only if you have more than 20 years to go until age 60 that your pension is based on the best 20 years. This is because service in excess of 20 years does not count for Castle.

It is only possible to pay voluntary contributions if you are actually in a scheme run by your employer and if that scheme provides the facilities. If you are not in a scheme then you can go to an insurance company and pay self-employed contributions. Intrinsicly, both voluntary contributions and self-employed retirement annuities ought to be better investments because you get 100 per cent tax relief on your contributions and these contributions when invested earn interest, dividends, etc. free of tax.

What you have read relates to special circumstances only. A senior executive, for example, who is in a powerful position to negotiate a special deal with an employer giving the Inland Revenue maximum pension as part of his service agreement, gains nothing by paying voluntary contributions because any pension bought by voluntary contributions is knocked off the amount the Revenue allow his employer to provide him. A

young employee in a 60ths final salary scheme expecting to complete 40 years and so get the Revenue maximum (40/60ths) would likewise gain nothing. For the majority of people it makes sense to pay voluntary contributions or buy a self-employed policy. An ordinary endowment does not give such a good deal but you can surrender the policy, use it for borrowing or other purposes before retirement. The choice, therefore, depends upon personal needs and circumstances.

Foreign land, loans and taxes

Is the interest on a loan raised to purchase land outside the UK eligible for tax relief? Are the subsequent annual taxes payable on the land to the foreign tax authority eligible to be offset against UK income tax? If one or both of these are allowable and have not been claimed, how far back can one go to claim?

From your final question, we infer that the loan was taken out before March 27, 1974. That the interest is payable to a being so, and on the assumption lender who is not resident in the UK, the interest should be deductible from the rent, etc., from the land in arriving at the income assessable under case V of schedule D, up to and including 1978-79 (by virtue of the current version of section 122(1) (c) of the Income and Corporation Taxes Act 1970). The preceding-year basis may, of course, give you relief up to 1980-81.

If the facts are different, you will not necessarily be denied relief, but the lines of distinction are drawn arbitrarily and have altered over the years since April 1972. Your best move is to lay the full facts before your tax inspector (before next April), and to come back to us if you encounter specific problems or are not satisfied with the inspector's interpretation of the law—giving us as much detail as you can.

If the foreign taxes you have in mind are charged on income and correspond to income tax, they should be eligible for credit against the case V income tax on the rent, etc., from the land in question, under either section 498 of the Taxes Act or the double taxation agreement (if there is one) between the UK and the country in question. In a good library, you will probably find copies of the UK's current and prospective double

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Preference share gains

On some ordinary shares I held, I received in 1966 a capital issue of 7 1/2 per cent preference shares. These I sold in 1977 and showed the amount realised, £24, in my return for that year and the cost as nil. In 1977-78 I sold by holding, and the Tax Inspector drew attention to the preference issue which I had not shown in my 1977-78 return. I explained I had already shown this in 1966, but he has ignored this and adjusted the original price of the shares to take account of the capital issue. Is this right?

It would have been easier to help you if you had given us more precise facts and figures. At one point you say you sold the preference shares in 1977, but elsewhere you imply that you sold them soon after their issue in 1966.

If the £24 chargeable gain which you mistakenly returned for the preference shares was included in an assessment made on or after April 6, 1972, you should now claim relief for the tax year in question, under section 33 of the Taxes Management Act 1970. On the other hand, if the relevant assessment notice was issued on or before April 5, 1972, your only line of approach appears to be to point out to the inspector, £24 in my return for that year, but they should be taken into account in the original computation, he agreed that only a negligible (effectively zero) proportion of the cost etc of the original shares be apportioned to the preference shares and that he cannot rescind that from agreed apportionment at this late stage.

Schlesinger American Investments Limited

Interim dividend

The directors have declared an unchanged interim dividend for the current year to 30th April 1979 of 3p gross per share, subject to Jersey income tax at the rate of 20%, payable on 31st January 1979. Comparable figures for the previous year and the yield are shown in the table below. The net assets of the Fund expanded from £4,365,330 on 30th April 1978 to £4,990,124 on 31st October 1978.

Net income for 6 months to 31 October 1978	£285,967
Interim dividend for the year to 30 April 1979	3p per share
(The final dividend for the year to 30 April 1978 was 4.25p per share, making the total for the year 7.25p per share).	
Dividend Yield	9.06%
(based on historic dividend and current offer price of 80p).	

Company background

The Company is designed to provide residents of the Channel Islands, Isle of Man, Eire and the U.K. with a quality portfolio of American securities, giving an exceptionally high yield.

This high yield is achieved by using Gilts to neutralise the foreign currency loan facility (used to reduce the risk of the dollar premium). Yield as well as risk reduction is improved by the use of U.S. traded options, particularly through the Company's heavy investment in Schlesinger American Options Limited, a Bermudian investment company with similar aims which is designed for non-resident investors.

Shares are issued and redeemed at prices based on net asset value. The shares of the Company are listed on The Stock Exchange in London. Shareholders receive the Schlesinger "PIMS" Service.

A copy of the full prospectus of the Company, the PIMS report and the latest report and accounts, on the basis of which alone applications for investment will be accepted, may be obtained by writing to:

The Secretary,
Schlesinger International Management Limited
41 La Motte Street, St Helier, Jersey, Channel Islands.
Telephone: Jersey (0534) 73588.

Gains on shares and unit trusts

With reference to your reply under Gains on Shares and Unit Trusts in your issue of January 6, I should appreciate some clarification concerning the treatment of allowable losses carried forward. An article in your issue of December 29 by Eamonn Fingleton on "Bed and Breakfasting Unit Trust and Investment Trust Shares" was most informative, but warned of the intricacies of the new CGT rules, but it would seem that gains solely from the sale of Unit Trust and/or Investment Trust shares up to a maximum of

£5,760 will not attract CGT. I have approximately £5,000 allowable losses carried forward and an estimated £5,000 gains on paper from investment trust shares which I am proposing to "Bed and Breakfast." Can you please tell me whether the £5,000 losses carried forward can be used to set against any gains arising from the sale of ordinary shares either during the year 1978-79 or subsequently? The point raised in your inquiry was discussed in a reply published in the Business Problems column on October 13, under the heading "Setting losses against gains," as well as in replies published in the Finance and the Family

column in 1977 (on May 7, June 4, July 30, September 3 and October 29). The answer, briefly, is that we see nothing in the CGT legislation—from section 20(4) of the Finance Act 1965 to section 44(4) of the Finance Act 1978—which compels you to waste CGT losses by deducting them in assessments which would carry no tax liability anyway. If possible, we suggest that you realise £5,000 non-qualifying gains this year (by bed-and-breakfast transactions, if you wish), as well as the £5,000 qualifying gains—on the assumption that all your investment trust shares are fully qualifying shares, as defined in section 112 (2 and 12) of the Finance Act 1972. This will

avoid arguments and a possible appeal hearing before the Special Commissioners over the precise meaning of the words approved by Parliament. An ideal situation would be to realise qualifying gains of £5,758 plus non-qualifying gains equal to your allowable losses:

Qualifying gains	5,758
Other gains	5,000
Losses	10,758
Taxable amount	£ 5,758
Zero on the first £1,000	
15% on the next £4,000	= 600.00
50% on the top £ 758	= 379.00
Less:	979.00
17% credit on £5,758	= 978.86
Nominal CGT liability	£ 0.14

What kind of share manager would you make?

Perhaps you'd make a very good share manager. If you had the time. But today's economic climate makes the expert management of shares, more than ever, a full time job. And that's why you benefit by exchanging your quoted shares for Canlife units. Our professional share managers are able to give you your investment the kind of up to the minute attention demanded by present market conditions. What's more, when you exchange your shares, you'll get preferential terms and the advantages of a broadly based portfolio by investing in one of the two Canlife Unit Trusts. The General Trust aims to secure an attractive balance between growth of capital and growth of income, while the Income Trust is aimed toward greater income with good prospects of long term growth. Remember that the price of units, and the income from them, may go down as well as up. In addition, an investment in Canlife Units offers certain Capital Gains Tax advantages. As part of The Canada Life Group, currently managing assets in excess of £1,000 million, Canada Life Unit Trust Managers can call upon a wealth of investment experience which reaches back 130 years. So send in the coupon for details of our share exchange scheme. And benefit from the investment experience of The Canada Life through Canlife Unit Trusts.

Member of the Unit Trust Association.

To: Canada Life Unit Trust Managers Ltd., 6 Charles II Street, London SW1Y 4AD. Telephone: 01-480 8122. Please send me details of the Canlife Share Exchange Scheme.

Name: _____
Address: _____

Canlife units

Experience—where experience counts.

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Family Bonds are completely exempt from income tax and capital gains tax. They offer you the way to invest in a tax-free fund—which has an advantage of about 40% over taxed funds. Furthermore, there is an extra investment and tax advantage if you invest before 6th April. The maximum investment currently allowed is £10 a month or £120 a year (if you are under 45) and £11 a month or £132 a year (if you are over 44). Alternatively, if you want to invest a lump sum of about £1,000 now, you can fund your annual premiums at a discount of about 25%. The Family Bond is a unique unit-linked investment, available only to family men and women. Naturally, unit prices can fall as well as rise; however, as the investment is completely tax-free, the value of your Bond can be expected to grow by at least 12% p.a., which would be more than double your money over ten years. Indeed, the growth to date has been at an even faster rate. If you would like further details, please complete the coupon and return it to us—no stamp is required.

Julian Gibbs Associates Limited, Freeport 1, London W1E 2QZ, or telephone 01-487 4195. Please send me details of the Family Bond.

Name: _____
Address: _____
Tel: Day _____ Home _____
Tax Rate _____ Date of Birth _____

UNIT TRUST AND INSURANCE OFFERS

Canada Life Unit Trust Managers Ltd.	Page 6
Chieftain Trust Managers Ltd.	7
Craigmount Unit Trust Managers Ltd.	7
Gartmore Fund Managers Ltd.	8
M & G Group Ltd.	1
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FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 16.2.79.

Terms (years)	3	4	5	6	7	8	9	10
Interest %	12 1/2	13	13 1/2	13 1/2	13 1/2	13 1/2	13 1/2	13 1/2

Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-828 7822, Ext. 177). Cheques payable to "Bank of England, s/c FFI." FFI is the holding company for ICFG and FCL.

At last, a change of heart

SUDDENLY, it seems, we are in the midst of a base-metal boom. In fact, as the accompanying graphs show, the recovery in prices of lead, copper and zinc has been going on since early last year and what is happening to them at the moment must reflect to some degree a burst of speculative activity on top. Not all metal prices are moving ahead. Tin has been coming down after its previous heady climb while nickel is still in the doldrums and iron remains a buyers' market. Copper, as

Although U.S. economic indicators, for example, are not particularly encouraging at the moment it cannot necessarily be assumed that the revival in metal prices is premature. After all, prices are only beginning to reach realistic levels in the light of present circumstances: the current U.S. copper price of around 84 cents per pound is still well below that required to justify the development of a new mine. What seems to me to be more important is that the awaited change in basic thinking appears to have taken place. Only a month or two ago, the mining industry was still thinking in terms of mere survival while metal consumers saw no need to finance stocks. Both sides realised that the picture would eventually change and now they are thinking in more positive terms.

per share. Earning more for the U.S. group have been molybdenum, copper, coal, iron ore, oil and gas. Less has been made from lead—because of the strike at the Missouri operations—and zinc while nickel has made a loss, albeit less than in 1977. Mr. Pierre Gousseland, the Amax chairman, has forecast that earnings will be even better this year, "barring the unlikely prospect of a severe disruption in the economy." Shareholders will thus be hoping that Amax will further reduce its purse-strings: the current quarterly dividend rate was raised to 55 cents from 43 cents in October last year. The first increase since December, 1974.

MINING

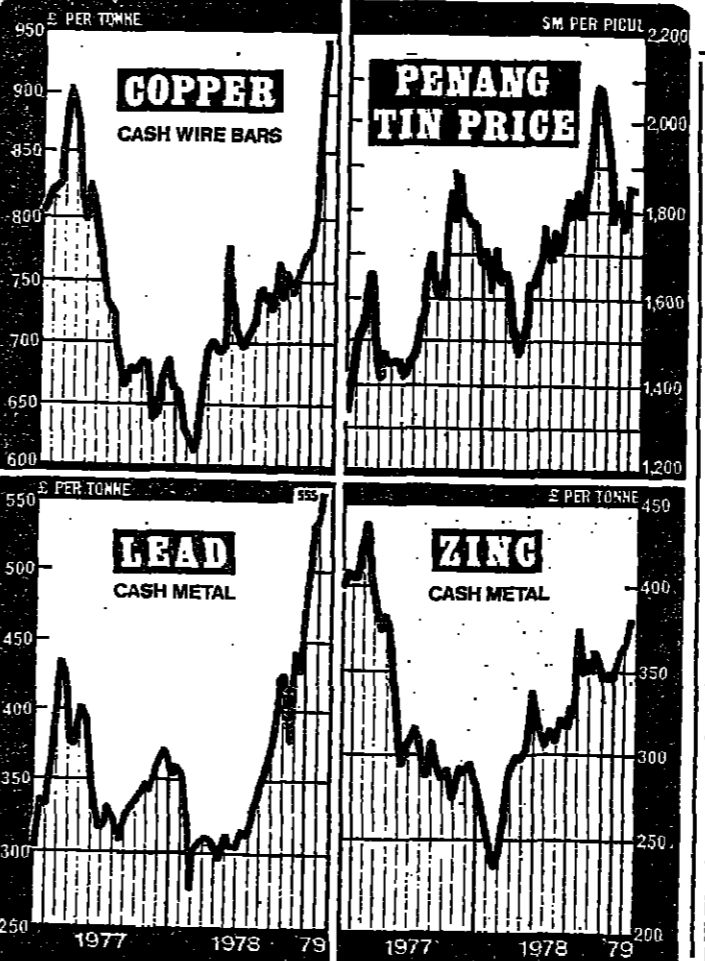
Another major metal concern to scent a change in the wind has been the Anglo American Corporation group's Canadian producer of copper and zinc, Hudson Bay Mining and Smelting. Following its last quarterly payment of 20 cents in September 1977, Hudson Bay is returning to the dividend with a quarterly distribution of 10 cents (42p), "in the light of improved metal prices and the current outlook." Freeport Minerals has announced buoyant fourth quarter earnings of \$9.39m which make a 1978 total of \$31.3m compared with \$21.2m in 1977. More good news from the metal miners has to be on the way, but at this stage in the game an investor should play on the safe side and go for the shares of the major diversified companies.

MINING

Already mine earnings have moved ahead from their previously marginal—or sometimes non-existent—levels. And the change in heart has been underlined by results from the transatlantic resource companies this week. Towering above them all have been the earnings of the greatly diversified Amax in which London's Selection Trust has a stake of 8.3 per cent. After a buoyant fourth quarter when Amax made \$60.8m (£30.5m) the total net earnings for 1978 have climbed 34 per cent to a record \$160m, or \$4.14

MINING

Also known to be under consideration is a possible new gold mining expedition to the north of West Driefontein and East Driefontein mines. Clearly, a great deal depends on the likely course of the bullion price, but it is keeping up well despite the large sales by the U.S. Treasury. Mr. Robert Guy, one of the leading figures in the London bullion market and a director of N. M. Rothschild and Sons, has forecast that the revival of the metal as a reserve asset in the proposed European Monetary System should help the gold price to move up into a range of \$260 to \$290 an ounce this year.



DON'T INVEST UNTIL YOU HAVE SEEN THE FLEET STREET LETTER'S 5 SHARES FOR 1979

1978 saw a final profit for FSL subscribers of 200% on Bourne & Hollingsworth, taken over at 235p; of 240% on uniform manufacturers J. Compton Sons and Webb, taken over at 74p; and of 51% in just three months when we revealed (for FSL subscribers only, of course) our "exclusive" on the investment charms of Alliance and Dublin Gas. This is just a selection, of course, but we promise to send you a Memo detailing every single one of our recommendations of the last two years has far exceeded both our ups and downs. Don't miss, then, our five selections for 1979. What communications company, for example, was it that was 60p, but had that 200p look about it? What textile group is now producing record profits, but is still on a p/e of 3, yields 11%, and has assets of twice the share price? STOP PRESS! In fact, since publication of our "five for '79" the textile company has received the take-over approach so the price is already up 35%, though we can't really claim any credit for that. Continue the New Year in the right way. Find out just why FSL is deservedly Britain's longest established Newsletter. Send NOW for your FREE copy of FSL. Just fill in the coupon below.

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سكنا من الفصل

COLLECTING

The Biedermeier interior

BY JUNE FIELD

BIEDERMEIER furniture of the early 19th century is sturdy and sensible, with good clean lines, ideal for everyday family living. Occasionally though it lapses into the grotesque, as in robust, top-heavy pieces over-ornamented with heavy gilt bronze mounts, stamped brass sheets, embossed columns, fussy pediments and so on.

The term Biedermeier, which applied to the whole life-style of German-speaking countries during the years between Waterloo and the revival of the rococo, is a combination of *bieder*, plain, unpretentious and inoffensive, and *Meier*, one of the most common German surnames. (So a Biedermeier is an honest upright citizen, irreproachable and solid.) The name was given to an imaginary poet invented by Heidelberg physician and university teacher Adolph Knissmaul and Ludwig Eichrodt, chief district judge in Lahr, Knissmaul being in-

spired by the poetry of a village schoolmaster Samuel Friedrich Sautter, to write ironical poems in Sautter's style under the pseudonym Gottlieb Biedermeier. He made his first appearance in 1853, and from 1855 appeared regularly in the humorous journal *Fliegende Blätter*.

It was not until the 1890s that Biedermeier became the accepted term for the decorative arts of the early part of the century, a description at first mocking and derogatory—Fritz Minkus, a contemporary writer called it "a style whose main characteristic is its lack of style—of infinite dullness and irredeemable tastelessness which we have long since considered beneath us and held up to ridicule."

Interest in what above all is a typically *gemütlich* and homely way of living, has been revived this week by the opening of a remarkable exhibition

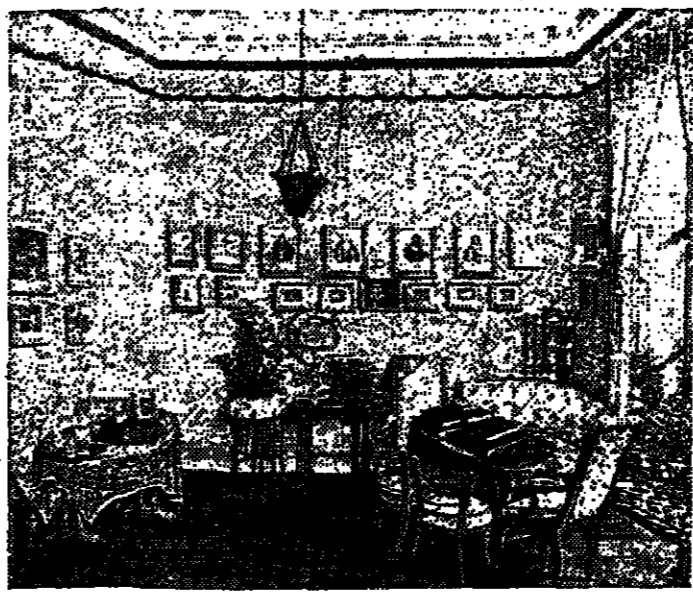
at the Victoria and Albert Museum until April 1—Vienna in the Age of Schubert—The Biedermeier Interior 1815-1848. The organisers, the Museum of Applied Arts in Vienna, a daughter institution of the V. and A. have chosen Franz Schubert (1797-1828), as an appropriate musical patron because his works were mostly for a small number of amateur musicians to appreciate and perform at home. (Perhaps this may account for the fact that when he died, aged 31, his possessions were valued at only 63 Vienna florins, £2 10s).

In this Vormärz period, restricted by political constraints and the forcible intervention of government censorship in all areas of daily life, first the middle classes and then the aristocracy turned their backs almost completely on public life. Writing in the lavish catalogue, exhibition organiser

Dr. Christian Witt-Dörning points out: "The consequences of this was refuge in a peaceful and sheltered domestic life within the family, in which sufficient space and time was given over to the cultivation of personal interests. Among the basic features of this highly developed family culture were the organisation of family musical evenings and domestic cultivation of the arts. (A) harmonious family life which, organised into a private, self-contained little world of its own, helped give their lives meaning."

Adalbert Stifter (1805-68), in his novel *Nachsommer*, designated "pure family life" as "the greatest happiness."

The living-room, the focal point of the family, was accorded such a degree of significance and importance that it now became an independent theme in painting, so demon-



In the Victoria and Albert Museum's exhibition "Vienna in the Age of Schubert—the Biedermeier Interior 1815-1848," a watercolour of a typical Biedermeier living-room, showing the arrangement of the furniture to provide *Wohnissem* (activity centres), for individual interests of the family.

strating an important characteristic of Biedermeier man, who was very anxious to document and record his beloved and familiar environment.

The formation of *Wohnissem* (activity areas)—the arrangement of various groups of furniture in accordance with the different interests of individual members of the family—were obviously the forerunner of Victorian English "cosy corners." Bedrooms doubled as private sitting-rooms for parents, fitted out with a comfortable chair or couch and writing table. A delightful watercolour by Johann Stephan Decker in the exhibition shows a typical dressing-room of the period, whose furnishings included a particularly useful item, a *Taschenleher* (pocket emptier), also called a *Servant* (small glass cabinet), on which the contents of the pockets when undressing could be stowed away.

Collectors and historians should certainly have a copy of George Himmelheber's scholarly book *Biedermeier Furniture* (Faber and Faber 1974, £17.50, newly bound, and still in print).

It is the definitive work in English which sparked off interest in the whole Biedermeier ambience, documenting the original exhibition put on by the Vienna Museum in 1896 which marked the beginning of a new and more objective attitude towards Biedermeier. The excellent catalogue of the new exhibition at the V. and A. brings fresh light on the leading Viennese cabinetmakers Benedict Holl (1753 or 5-1833), and Josef Ulrich Danhauser (1780-1829), originally a sculptor by training, together with his eldest son, distinguished painter Josef Franz Danhauser (1805-1845).

Biedermeier furniture does get into auction from time to time—there were eight lots due to come up at Sotheby's yesterday, and on Thursday Christie's have two work tables, a dressing-table, secretary and six walnut dining-chairs in their Continental Furniture sale. The estimates of between £150-£400 on each item, do not seem untoward even though the pieces are only attributed to style rather than designer or country of origin.

How to avoid the comprehensives

BELOW the word "Headmaster" on Donald Mathewson's study-door in the Allhallows independent school in south-east Devon he might fairly add the additional title of Marketing Manager. The reason is that, having identified what he sees as two kinds of growing consumer-need for independent schooling, he has swiftly organised Allhallows to supply them.

"It all began when I noticed an increase in the number of parents wanting to move their children from the State to the private system at the end of their primary schooling," he said this week.

In most instances, these parents had been satisfied with local authority education up to the 11-year-old stage, but were worried about sending their offspring on to comprehensive schools.

No doubt the majority of people working in education would summarily convict such parents of social snobbery. But for families realistic enough to have noted that a successful record in education is fast coming to have a dominant influence over a youngster's career prospects, there is evidently a rational argument for avoiding comprehensives.

I am beginning to suspect that the same child would have less likelihood of being so motivated in a comprehensive school than in one of the selective kind. The suspicion rests on a well observed general tendency among children to prefer being in the swim even if it means working hard, to being out of the swim. So it would seem to

and risk of transfer at the end of State primary schooling, he has set up a selection procedure for the 11-plus age group.

Candidates first write an autobiography and send it together with references to Allhallows. The youngsters then go to spend two days at the seaside school in Rousden where they undergo tests of their IQ and of attainment in English and mathematics and an interview on the basis of their autobiography.

Those selected are told that provided they earn favourable reports during the next two years at a preparatory school, they will be guaranteed a place at Allhallows regardless, in effect, of their results in Common Entrance. Candidates judged to be outstanding—and not just academically—could be offered financial assistance towards paying the school's £704 termly fee. Moreover, exceptional candidates could also gain modest reductions in the fees of several of the 20 or so prep schools which Mr. Mathewson, having no directly linked preparatory establishment, has so far persuaded to associate themselves with the scheme. The first tests will be held on April 20 and 21.

His other marketing development is intended to help parents who wish to transfer boys or girls to an independent boarding-school sixth form after they have completed the GCE Ordinary-level stage at 16-plus. Here Allhallows is to offer senior studentships to youngsters whose academic and other record as judged by references

from previous head-teachers, and performance in the autobiography-interview process are considered to merit a reduced fee.

"We'll probably give a 10 per cent reduction as of right to a boy or girl who is good, and 20 per cent in the case of one who's damned good," Donald Mathewson said. "But beyond that, if a family's finances justified it, we'd be prepared to defray up to 60 per cent of the fees."

"I can't see it would be right to give more than that," he added, "because it must cost at least two fifths of our fee level just to keep a youngster of that age in food and so on at home. I mean, they eat like horses, don't they? They simply shovel the stuff in."

EDUCATION

MICHAEL DIXON

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There is no charge for the first switch. Thereafter a charge of 1% (£10 minimum—£50 maximum) is deducted.

Here is an outline of the aims of the various Funds.

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\$ GOLD

How much is left in Fort Knox?

This month's World Money Analyst has an exclusive interview with Professor Anthony Sutton, best selling author of 'War on Gold'. He asks: Why does the US Government refuse an independent audit of its gold stocks in Fort Knox? How much is really there? How much is low grade melt gold? In this revealing interview Sutton has investigated, hard to get, US Government documents and come up with some startling conclusions about the gold holdings—conclusions which could be very bullish for gold!

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FT3

CRAIGMOUNT RECOVERY TRUST

A positive view of the future

Craigmount Recovery Trust has been introduced to provide capital growth through investment in companies which, as a result of the restructuring of their activities, have the potential for significant improvement in earnings.

- In constructing the portfolio the Managers will concentrate on the potential for capital appreciation, and yield will not be the primary consideration. Individual investment opportunities will be evaluated on their potential without consideration of the size of the company. The Managers will rather concentrate their selection on the prospect for each company within its industry and the capacity of its management to bring about the conditions needed for success.
- Today's investment environment poses the question as to whether the current economic, political, and labour problems are likely to have a permanent and damaging influence on the economy. Craigmount believe that although it will take time for certain of the fundamental issues to be resolved, the overall climate in the UK is still conducive to equity investment. This belief is supported by the restraints imposed on the economy resulting from the international position of world trade and the necessity of maintaining confidence in sterling.
- The Directors of Craigmount, through a widespread network of professional advisers and corporate contacts, have immediate and comprehensive information on the UK and international markets, economic trends and company performance. They also have long experience of fund management in the UK.

Other information

Distribution of net income will be made half-yearly on 31st May and 30th November. First distribution will be on 30th November 1979.

The offer price of the Fund includes an initial charge of 2% commission of 11% will be paid to recognised agents. An annual management charge of 2%, plus VAT, of the value of the Trust is deducted from the gross income.

To sell your units, simply return your certificate endorsed on the back and you will receive your money not later than 7 days after the Stock Exchange Account Day relevant to the period during which the units are sold.

The Management Company is Craigmount Unit Trust Managers Limited, a member of the Unit Trust Association, The Bank of Scotland, The Mound, Edinburgh, is the Trustee to the Trust, and as such holds the title to all the assets of the Trust.

Registered office: Craigmount Unit Trust Managers Limited, 6th Floor, St. Martin's House, 16 St. Martin's-le-Grand, London EC1A 4EP.

FIXED PRICE OFFER CLOSES 16th FEBRUARY 1979

The minimum initial investment in the Trust is £1,000. You can buy units at the initial offer price of 70 pence by completing the application form and sending it with your cheque for the amount you wish to invest before 16th February. You can normally expect to receive the certificate within a month of purchase.

After the initial offer closes, units may be bought and sold daily at the prevailing offer and bid prices which are calculated in accordance with a formula approved by the Department of Trade. Current prices and yield are published in leading newspapers. Estimated gross starting yield is 5.50%.

Craigmount

APPLICATION FORM

The Craigmount Unit Trust Managers Limited, 9/10 Foster Lane, London EC3M 6BH. Tel: 01-498 2222. Registered in England, number 1389225.

I/We enclose £ _____ minimum initial investment of £1,000 for investment in Craigmount Recovery Trust at initial fixed price of 70 pence per unit. You will receive a Contract note within a few days.

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First name _____
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If you would like the details of the following please tick:

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 Continuous North American Trust
 Continuous High Income Trust

FT32

CHIEFTAIN AND BEEHIVE LIFE

The Chieftain Investment Bond offers a unique blend of investment fair and financial security.

Whilst it is Chieftain who will be responsible for investing money, it is a wholly owned subsidiary of Lloyds Bank—Beehive Life—who will actually hold your assets, make income payments, and provide assurance cover. Your investment could scarcely be in more secure hands.

Chieftain itself is a young investment company whose vigorous management has earned it enormous respect amongst investors and financial advisors alike.

This respect has shown itself in the most genuine of all possible ways: with large sums of capital entrusted to Chieftain's investment managers. Thousands of people have invested with Chieftain and funds have grown to well over £11 million in just two years—an exceptional record of growth.

LLOYDS BANK

APPLICATION FORM

I declare that the statements above are true and complete to the best of my knowledge and belief. The Company has my permission to obtain medical information from any doctor who has attended me or from any life insurance office to which I have submitted a proposal for life insurance. I agree that the Application and Declaration together with any statements made by the Company's medical examiner by me shall be the basis of the contract between me and the Company.

Surname (Mr/Mrs/Ms) _____
 First Name in full _____
 Address _____
 Date of Birth Day _____ Month _____ Year _____ Place of Birth _____

Are you now and have you always been in good health? Yes/No. If no please attach details. _____

Name and address of usual Doctor _____

Signature _____ Date _____
 I have read and further details of the Chieftain Investment Bond.

FT 3/2

YOUR SAVINGS AND INVESTMENTS

Official red tape is threatening the big banks' freedom to provide overdrafts to personal customers, writes Michael Lafferty.

Battle of the overdraft

IS THE British overdraft about to disappear as a result of the bureaucracy of the Consumer Credit Act? The clearing banks generally have been complaining about the threat to this great British institution ever since the Consumer Credit Act hit the statute book back in 1974.

sets credit limits, but rates could even vary according to whether a particular bank charges interest quarterly or half-yearly. Nevertheless, Frank Egton, Midland Bank's consumer credit expert, remains confident that whatever emerges will not stop the overdraft system outright.

Money Monitor

Gilts have the edge

Any basic rate taxpayer who rushed to buy the new National Savings Certificates issue this week has thrown money down the drain. He would be far better off investing in short dated Government Securities.

Even for people paying up to 45p in the £ tax, gilts are probably a better bet. The only investors for whom the new certificates are supreme are those on really high tax rates. The best illustration of the sort of returns now available in the gilt market is Exchequer 10 per cent 1983, which is due for redemption in December 1983 so has a term very closely comparable to that of the certificates.

enough to fund premiums of £9.49 a month into an insurance-linked savings plan with the Cheshire Building Society. After 4½ years starting in June—the first pay-out date from the stock—the plan will build up to a total of £70,500. There will be a final pay-out of just under £87,000 on the stock plus the redemption value of £1,700. This gives a total of £2,458—and you get the money two months earlier than from the certificates.

Paying the piper

Since it was established less than 2½ years ago, Chieftain Trust Managers, under Peter Fotts, has quickly established itself as a thriving unit trust group. Now it is spreading its wings by entering the insurance-linked market in partnership with Lloyds Bank's Beehive Life, writes Eric Short.

Freezing out the small man

THIS WEEK'S Price Commission report on unit trusts was cold comfort for small investors.

The commission firmly slapped down an application from the Unit Trust Association for higher fees for looking after unit holders' investments. The commission's reasoning was that overall the unit trust industry does well from the present charges system.

Commission's definition. This expressed net profit before interest and tax against net revenue after deducting commissions and other payments made to sales agents.

investment from official controls. Certainly, there is little evidence that investors in investment bonds, where charges are not controlled and vary enormously, shop around for the most competitive deal.

But, in any case, as far as initial charges are concerned, would more variety make much difference to investors? The spread between the bid and offer prices of units is of far more interest to them.

Opinion

Opinion that the Department of Trade should eventually abandon its control of charges in favour of a system where competition kept them down. The commission's idea is that if savers were better informed they would shop around for the best charges deal.

significantly, the spread on many trusts which exact the maximum 5 per cent initial charge is lower than the spread on trusts which have exceptionally a 3½ per cent initial charge. Many Save and Prosper trusts with a 5 per cent initial charge, for instance, have a lower spread than M and G's which are on a 3½ per cent basis.

the Price Commission's report was that it was so dismissive of possible alternative systems of charging incorporating flat-rate fees. A system could, for instance be devised involving a flat charge of say £3 a year per unitholder to be deducted from his income and this would be earmarked to cover the irreducible minimum costs of running a unit account however small.

Such a system would have given the Big Six of the industry total annual fees of about £5.6m in 1977, about £1m more



Edgar Palmountain: not enough

than they actually received under the present system. Its advantage would be that without increasing significantly the cost to investors, it would give management groups far more incentive to run their lameduck trusts properly.

THE PROFIT OF THE UNIT TRUST MAJORS: THE FIVE-YEAR RECORD

Table with 5 columns: Year (1970-1977), Net profit/loss before interest and tax as a percentage of net revenue from unit trusts. Rows include Save and Prosper, M & G, Barclays Unicorn, Allied Hambro, Britannia, Hill Samuel, and Average for the Big Six.

Source: Price Commission

The Unit Trust Association points out that there would be considerable costs in switching over to a flat-rate system. But probably a bigger problem for the association is that it would blow wide open the association's fragile unity.

EAMONN FINGLETON

America - down but not out

On 30th December 1978, we placed an advertisement with this headline in the Financial Times. We were in fact the only group to promote the American S&P market that weekend.

GARTMORE advertisement with logo and contact information for GARTMORE FUND MANAGERS LTD.

Golden Guineas

SINCE THE Middle Ages gold from West Africa had found its way across the Sahara to the money markets of Europe.

COINS

the reign of George I it dropped slightly, to become stable at 21s, at which value it remained for the rest of his career.

Unfortunately, the price of silver rose uncontrollably throughout the 18th century and eventually reached a point at which coinage in this metal was produced only spasmodically.

Phillips advertisement for antique and decorative furniture, works of art, carpets, etc. with dates and prices.

CHRISTIE'S advertisement for a frozen river landscape painting by Charles Leickert, signed and dated 182, 311 in. by 461 in.

Glendinings advertisement for the sale of coins and medals, including Naval & Military Medals & Decorations.

WE, THE LIMBLESS, LOOK TO YOU FOR HELP advertisement for the British Limbless Ex-Service Men's Association.

SPITFIRE advertisement for a Spitfire Mark IX, one of the rarest World War II vintage airplanes.

Handwritten Arabic text at the bottom of the page.

PROPERTY/LEISURE

Where relief is needed

BY JOE RENNISON

IT IS now nearly five years since tax relief on mortgage repayments on second homes was introduced in the 1974 Finance Act. (People who had already bought were given a period of grace of six years before the relief was withdrawn.) This was probably fair enough at the time when there was very little money to go around. If you remember, it was at that dreadful time when the end of the world seemed very nigh, and daily one expected to see the shocking sight of building society managers walking the streets with holes in their shoes.

It is still probably fair enough, since there never has been a time since then seemed to have been more than enough money around to satisfy all the customers wanting their first home. But maybe there could be a measure of relief for second-home buyers and for a practical reason.

In most of the building society annual reports published recently, they go out of their way to mention the fact that they have considerably increased the amount of money they are lending for home improvements. The realisation has finally sunk in that the housing stock is a national asset and to keep that stock in good

order is a good investment for the future.

So why not extend that facility to second home owners who are carrying out bona fide repairs and improvements? Their property is also part of the national stock which will be available for future generations. And compared with total building society funds the amount loaned on second home repairs would be minute. The left might howl about it but since most of their leaders enjoy a second home they might see reason.

Be that as it may one of our larger national firms of estate agents hint at a revival on the purchase of such a property. A lot of interest is currently being shown in weekend country cottages in Wiltshire with its fast train services to London and convenient motorway links.

"We find that people whose home areas mostly in the London area are buying them not merely for rest and relaxation but as a real estate investment to provide a hedge against inflation," says Mr Michael Bruges of Humberts' Chippingham office.

He reports that many inquiries have been coming in concerning two typical cottages on his firm's books. One of them, No. 24 High Street, in the Cotswold village of Sherston is a stone-built period property with two reception rooms, three

bedrooms and a walled garden, priced at £30,000.

The other, Old Change Cottage, in the hamlet of Kellaways, near Chippenham, is also stone-built and it dates from the 17th Century. Here too, there are two reception rooms and three bedrooms, but the figure quoted is £27,500. Both cottages have been modernised.

The same Finance Act limited to £25,000 the size of mortgage on which tax relief can be claimed. It is time this was looked at again. Last year house prices increased by 26 per cent on average. That plus the smaller increases of the previous three years must mean that many houses are being priced out of the mortgage market.

This point is picked up by Geoffrey van Cutsem in Savill's look forward, 1979 report (more next week) in the section on country houses. As he puts it: "A restraint in the market that could be removed, and one which is causing considerable bottle-necks in the price levels between about £40,000 and £70,000 is the £25,000 ceiling on borrowing on which interest is allowable against tax. This I believe, is something at which a future Government is bound to take a close look. Both political parties are committed to increasing home ownership, so why not let the building



Offers around £70,000 are sought for Chandlers, a charming period cottage at Bishops Cannings, on the edge of the Pewsey Vale and the Marlborough Downs, Wiltshire, believed to date back 2-300 years. Situated in approximately 1 of an acre of excellently laid out gardens, the house overlooks the Downs and surrounding countryside. The house is built of brick with part timber framed elevations and has a thatched roof. The accommodation includes 2 reception rooms, cloakroom, kitchen, 2 bathrooms, 3 bedrooms and a dressing room. A recent extension provides a guest suite of bedroom and shower room.

Considerable improvements have recently been carried out, including rewiring, treatment of woodworm, installation of oil-fired central heating and new sanitary fittings throughout. There is a double garage. Chandlers is 2 miles from Devizes, 9 miles from Marlborough, 13 miles from Junction 15 of the M4 and convenient for fast trains to London from Swindon (15 miles) and Pewsey (7 miles).

Index, the limit would now be £50,000. I believe that building societies will continue to attract sufficient funds by paying and charging appropriate interest rates, and without Government directives both borrowers and lenders would benefit by a return to a free market."

can stop the contractors continuing with their work.

So Dr Geoffrey Halliday of the Department of Biological Science, University of Lancaster, together with many others who are concerned about this matter, think it essential that Parliament should pass an amendment to the present act making it possible to issue Limestone Easement Preservation Orders exactly comparable to the Tree Preservation Orders by which local authorities can act immediately to prevent irreparable damage to woodlands and individual trees. There would still be the right of appeal but, to use Dr Halliday's own words, all the relevant matters could then be discussed dispassionately subsequent to the Order and not, as at present, to the deafening accompaniment of bulldozers tearing the site to pieces.

An appropriate amendment has been drafted and is now before Parliament. It is to be hoped that it will receive sympathetic support from all parts of the house despite the more dramatic distractions of these troubled weeks.

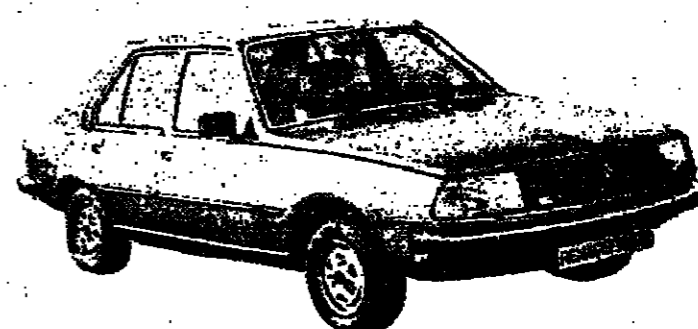
Bland but useful

HAVING practically invented the hatchback, and made little else for the last ten years, Renault have dropped the tailgate in favour of the boot lid on their latest car, the R18. The reason is simple. They have not been getting their share of the three box (that is, bonnet, body and boot) saloon car market which is still overwhelmingly the most important.

In Britain, for example, hatchbacks account for 20 per cent of sales and estates 10 per cent whereas 70 per cent of buyers go for a saloon. Of late Renault have been doing very nicely with a 12 per cent slice of all hatchback sales in Britain and 10 per cent of estate cars but only a miserable 11 per cent of three box saloons. Their sole representative in this category has been the ageing R12. This month, along comes the R18.

Renault are confident the R18 will topple the R5 hatchback from its place as their UK market best seller. They are forecasting sales this year of 23,000 R18s against 19,000 R5s. To achieve these figures Renault are making a bid for the fleet market. This has become almost a private reserve of Ford: 75 per cent of their cars are bought by companies compared with only 25 per cent of Renaults.

The car, whose elegant nose Renault hope to push deeply into the fleet market trough, is perhaps the most ordinary model they have produced in years. Most Renaults in the past have had the kind of styling you have to get used to. (Think of the R16 and, more recently, the R14. They are as much an acquired taste as grappa or pickled walnuts.) The R18 is as clean and non-controversial as a Ford Cortina, though Renault say half the



Renault's R18: clean and non-controversial

Cortina owners they interviewed litre, 64 horsepower development of the Renault 12's, and the light alloy 1.65 litre, 75 horsepower motor fitted in the R16 TX. The R18 TL and GTL, which have the 1.4 engine, come with a four-speed manual gearbox; so does the 1.6 litre TS. The top of the range GTX has a five-speed manual gearbox but both the TS and GTX can be had with Renault's own three-speed automatic at extra cost.

MOTURING

STUART MARSHALL

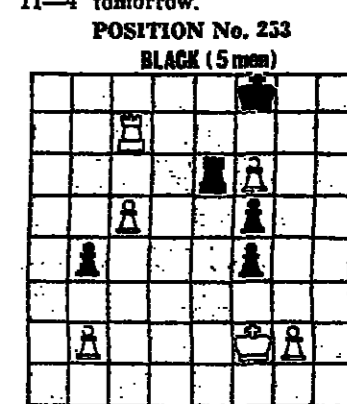
It is said that company car fleet managers would never buy front-wheel drive, fearing service complications and costly repairs. Renault think the R18 will change the pattern for a variety of reasons, some financial, others psychological. Of the latter, the most important is Ford's decision to go front-drive with the Fiesta. That Renault feels, has made the whole idea respectable to those most cost-conscious of men, the fleet managers.

With this kind of background, the R18 might be expected to be as bland and conformist a car as past Renaults have been unorthodox, even slightly eccentric. And bland it is. The R18 is light on character but heavy on those more important things like comfortable seats, ample interior space, a large boot, a good ride over all kinds of roads and low level of mechanical, wind and tyre noise at cruising speeds.

There are two engines—a 1.4

interesting. Spectators are welcome—the nearest station is Fleet, and play is 2-7 today, 11-4 tomorrow.

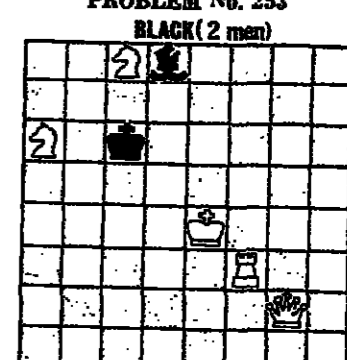
POSITION No. 233
BLACK (5 men)



WHITE (6 men)

Speelman v Hartston, ICL International, Hastings 1978-9. The British champion, Jonathan Speelman, had several good wins at Hastings including this game shown in its final stages. As White (to move) he is a pawn up but Hartston threatens to regain it at once. How should White continue for a quick win?

PROBLEM No. 253
BLACK (2 men)



WHITE (5 men)

White mates in three moves, against any defence (by A. Mossiawitz, 64 1973).
Solutions Page 16

CHESS

LEONARD BARDEN

THE ICL Premier at this year's Hastings congress proved to be one of the closest struggles for first place that this traditional event has seen in its long history. At the end the Swedish grandmaster Ulf Andersson ran out a comfortable winner, a point ahead of the field; but this looked far from likely in the earlier rounds.

From the British viewpoint, the result was encouraging. For various reasons none of our four grandmasters took part, but Speelman defied the tradition that the British champion always does badly at Hastings and finished only half a point short of a grandmaster score.

Mestel and Hartston held their own in strong company, and Taulbut made a respectable score in his first Premier. All this is a distinct improvement on the years when the British were huddled in a group at the bottom, and reflects our growing stature in international chess.

Final totals were Andersson (Sweden) 9½ out of 14, Cosm (Hungary), Vasyukov and Kozhiev (USSR) and Speelman (England) 8, Christiansen and Lein (U.S.), and Mestel (England) 8, Bjijass (Canada) and Hartston (England) 7½, Taulbut (England) 5½, Botterill (Wales) and Suba (Romania) 5, Peters (U.S.) 4, Balshan (Israel) 3.

Andersson and Kozhiev, the only two unbeaten players, conserved energy with quick draws and waited for the occasional out-of-form opponent. Anders-

son's win in Round 12 virtually decided the tournament. His strategy was unpretentious but effective: he simply piled up on a weak pawn while his opponent sought non-existent counterplay on the other wing.

White: P. Bjijass (Canada). Black: U. Andersson (Sweden). Opening: Neo-Grünfeld Defence (ICL Premier, Hastings, 1978-1979).

1 N-KB3, N-KB3; 2 P-KN3, P-KN3; 3 B-N2, B-N2; 4 O-O, O-O; 5 P-B4, P-B3; 6 N-B3, P-Q4; 7 Pxf3, Pxf3; 8 P-Q4, N-K5; 9 Bx3?

This is already a mistake, since White is saddled with a backward pawn on the open file.

9... NxN; 10 PxN, N-B3; 11 Q-B1, B-N5; 12 B-R6, R-B1; 13 BxB, KxB; 14 Q-B4, BxN; 15 QxB, P-K3.

White has aimed for B v N but Black has seen deeper. With three pairs of minor pieces exchanged, White lacks the manpower to start a successful K-side attack and can be forced into weak or passive defence of the weak Q3 pawn.

16 KR-Q1, Q-B3; 17 Q-K3, R-B2; 18 R-Q3, R-B1; 19 P-N4, N-R4; 20 Q-N3, Q-K2; 21 R-KB1.

If White tries 21 P-N5, intending Q-R4 and R-R3, Black defends easily by 21... K-N1; 22 Q-R4, P-KR4.

21... N-B5; 22 P-B4, Q-Q3 (to neutralise P-B5); 23 P-K4, Pxf3; 24 Rxf3, N-N3; 25 R-B3, N-R5; 26 R-B1, P-QN4; 27 R-Q3, P-N5 (winning a pawn and the game); 28 P-B4, Rxf3; 29 Rxf3, Rxf3; 30 Q-K3, N-R7; 31 Resigns. If 31 R-Q2, R-B5 ch and N-B5 wins more material.

England meets West Germany this weekend at Elvetham Hall, Hartley Wintney, Hampshire, in the key match sponsored by Leading Bagmati, to decide who qualifies for the European team finals. It should be close and

BRIDGE

E. P. C. COTTER

IN MANY hands speed is essential, but in others patience must be employed. This old Olympic hand teaches this valuable lesson:

N
A 8 6 3
A 7
Q 9
K 5 4 2
W
Q 5 4
J 6 3
10 8 5 2
Q 10 3
E
10
10 9 8 5 2
A K 7 4 3
J 9
S
K J 9 7 2
R Q 4
J 7 6
A 7 6

South dealt at game all and bid one spade, North took out with two clubs, which the opener raised to three clubs, and North's bid of four spades closed the auction.

West led the diamond two, and East cashed Ace and King, returning the 10 of hearts to the Ace. In an effort to get a count on the defenders' hands, the declarer cashed his two heart honours.

West, reasoned South, did not hold five clubs, otherwise he would have led one in preference to a weak four-card diamond suit. In that case it

was safe to play a club to dummy's King.

When East followed with the nine, a club was returned from the table. If East ruffed, he would be ruffing a loser. When East followed with the second club, the Ace won, and a third club was led to the Queen. At this stage West seemed to be marked with a 3-4-3 pattern, unless the defenders were very shrewd operators and indulging in wholesale false-carding.

South ruffed the diamond return, cashed the King of spades, and when the 10 dropped on his right, he led another spade and confidently finessed the eight on the table.

This is the type of hand which appeals to me enormously. The declarer feels his way, delaying the drawing of trumps without incurring any undue risk until he has learnt a little more about the distribution of the opponents' hands. The average player cashes the Ace of trumps at trick four, and goes down with mutterings about outrageous fortune.

Now for quite a startling hand:

N
Q 10 6 4 3
8 4 2
9 7 3
8 5
W
8 5
J 9 3
K J 6 3
A 10 8 5 4
J 10 7 4
S
A 7 2
A K Q 10 6
A K 9 3 2

In the other room (this was a team match) West showed the patience which his opposite number lacked. Instead of ruffing the third club, he threw a spade, and the declarer without any thought of danger returned to hand by ruffing another diamond, and led another club. On this West discarded his last spade, and the declarer was doomed. He ruffed the club on the table, but now he could make nothing beyond his three top trumps, and was defeated.

GARDENING

ARTHUR HELLER

IT IS UNLIKELY that many of my readers have ever heard of limestone pavement and yet gardeners have done more than any other section of the community to speed the destruction of this scarce and important geological formation. If for "limestone pavement" I substitute "water worn limestone" every gardener will know exactly what I am writing about for this is the most prestigious of all stone used for rock garden construction. It is so intricate in its markings, so beautiful in colour and patina and above all so congenial to all those rock plants, and they are very numerous, that thrive in alkaline conditions, that the demand for it constantly threatens to outstrip the supply.

The story really begins early this century when the cultivation of rock and alpine plants suddenly became fashionable.

Almost immediately a new branch of garden construction grew up complete with its own methods, prejudices and mystique. Rock gardens, from being more or less random piles of stone scattered over banks or mounds of soil, suddenly became works of art to be constructed according to "natural" principles.

Reginald Farrer, high priest of the new branch of horticulture, has no doubts about the matter. All limestone, he held, was unparalleled for rock plants but by far the best of its many forms was the wonderful weather worn rock of the Craven Highlands, North Wales, Derbyshire and Westmorland. "It forms naturally into flutings and ribbings," he wrote in his classic, "The English Flower Garden," "... enhancing with lights and shadows the tender grey-whiteness of the stone itself... leaning and stark in its moulded forms, which have the rare gift of so obvious a solidarity that block fits to block like the sections of a jigsaw puzzle, so that the merest child at work with these could hardly help compiling, without thought or effort, a

rock-work that shall look all of a piece, the creation not of man, but of the untrammelled forces of the world at work since the hills first were." Farrer was never niggardly with words.

So the demand for water worn limestone grew amazingly and contractors made a great deal of money digging it out wherever they could obtain access to it. If they did not, at the outset, realise the damage they were doing to the environment they were very soon made aware of it for there were plenty of geologists and botanists who were appalled. Unhappily the message never seemed to pass down the line to the consumers, the gardeners, many of whom would have been among the first to condemn the use of this stone had they realised what was happening.

For really there is very little limestone pavement in Britain and what there is confined to a few localities and is fast disappearing from them. It is not only important geologically and because it is a beautiful feature of its own environment but also because it supports a distinctive

flora and some of the plants are rare. They survive in the deep fissures between the rocks because they are safe from grazing animals and have a peculiarly sheltered and moist micro-climate of their own. Among them are the very rare rigid buckler fern (*Dryopteris villarisi*), the green spleenwort (*Asplenium viride*), the dark red helleborine (*Epipactis atrorubens*) and the angular Solomon's Seal (*Polygonatum angulare*) as well as, rather surprisingly, the lily-of-the-valley which in Britain is scarce and scattered rather than genuinely rare and is usually found in dry woodlands.

The removal of surface stone, such as limestone pavement, legally constitutes "development" and so requires planning permission. Since all those local authorities concerned are opposed to any further depletion of limestone pavement it might appear that this protection is sufficient. Unfortunately it is not since it may take months for an Enforcement Order to be issued, this usually leads to an appeal and a public enquiry and meanwhile no one

can stop the contractors continuing with their work.

So Dr Geoffrey Halliday of the Department of Biological Science, University of Lancaster, together with many others who are concerned about this matter, think it essential that Parliament should pass an amendment to the present act making it possible to issue Limestone Easement Preservation Orders exactly comparable to the Tree Preservation Orders by which local authorities can act immediately to prevent irreparable damage to woodlands and individual trees. There would still be the right of appeal but, to use Dr Halliday's own words, all the relevant matters could then be discussed dispassionately subsequent to the Order and not, as at present, to the deafening accompaniment of bulldozers tearing the site to pieces.

An appropriate amendment has been drafted and is now before Parliament. It is to be hoped that it will receive sympathetic support from all parts of the house despite the more dramatic distractions of these troubled weeks.

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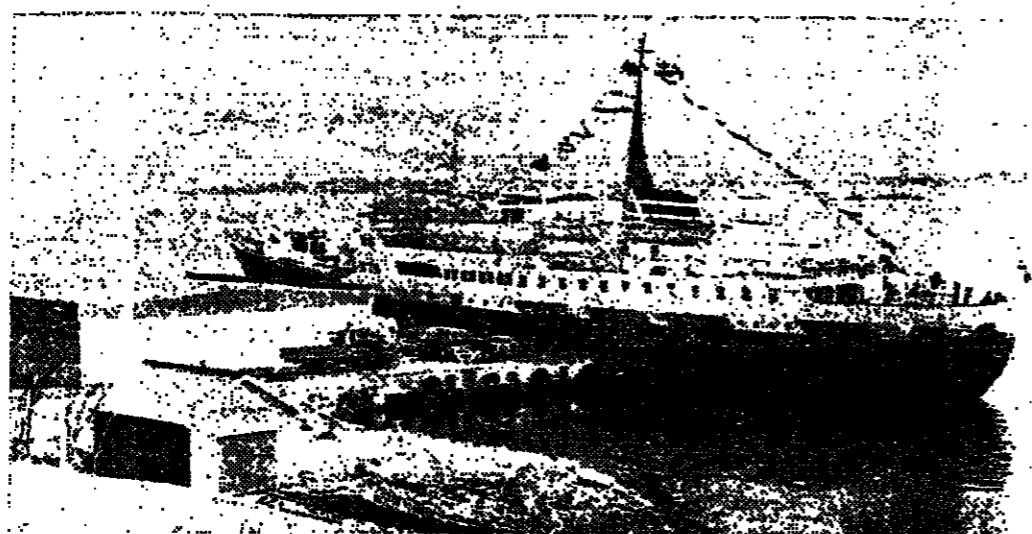
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TRAVEL

All at sea

BY SYLVIE NICKELS

IT IS a long time now since cruising was associated almost exclusively with well-heeled escapees from less to more fortunate winter climates.



Norwegian coastal cruise

example, but you will miss that major attraction, the midnight sun, and much of that glorious scenery will be but dimly observed.

And, in Alaska, the cruise routes not surprisingly clamp down altogether. Cost of the Fred Olsen-Bergen Line's North Cape round voyage at the height of the season this year is around £500-£540 ex-London by air; the 2,500-mile round trip ex-Bergen lasts 11 days, calling at 35 ports.

An obvious advantage of summer cruising is that you don't have to travel so far to find a hotter sun and your geographical limitations are much reduced.

SNOW REPORTS

It looks like a weekend of perfect conditions in most of the ski world. Recent snow in both Europe and the U.S. means that most resorts offer good skiing.

Table with columns for location (e.g., EUROPE, Bormio, Saaze d'Oulx), snow depth, and conditions (e.g., New snow on icy base, Good. Crust on exposed runs).

European reports from Ski Club of Great Britain representatives. THE U.S. Sugarbush (Vt.) 12-32 ins Powder. 68 of 70 runs open.

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Paradise under threat

THE EMINENT American architect Frank Lloyd Wright—no relation, I'm sorry to say—once remarked that the North American continent is tilted and everything that is not nailed down slides into southern California.

It was almost as if the almighty has intervened to express his disapproval at the sale to 20th Century Fox for more than \$71m of this most glorious stretch of golfing country.

THE mayor of the nearby village of Carmel is trying to persuade the California legislature to give areas like this to public ownership.

Many of the 2,200 families who own these palatial homes in the Del Monte Forest have been paying their corporation an annual fee for road upkeep and security afforded by a 14-member police force.

PAPERBACKS

IN THE MIDST of a hard winter who can be blamed for seeking escapism in fiction. I find the reading drug works best when it is blended with a real place.

When it was first published Mr. Garnett sent a copy to his friend T. H. White who absolutely hated it. "I believe," he wrote, "human beings ought to be monogamous, like those glorious creatures, ravens, swans, eagles etc."

lead me to treat your views seriously." The whole correspondence, printed in The White/Garnett Letters (Cape 1968), should be read as a marvellous example of how literary friendship may survive savagely adverse comment.

observer of modern madnesses I would put Swarthout in the same class as David Lodge and Malcolm Bradbury but as he is not an academic by profession he has a much bigger and broader based output.

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HOW TO SPEND IT

by Christine Burton

Something out of the ordinary

This week I am writing about four shops which offer a specialised service. Because the number of interested customers is necessarily limited, the very existence of these establishments depends on being

able to draw from the catchment area of a large metropolis. But if any reader wants to know more about domestic miniatures, four-poster beds, model trains or hand-made cosmetics, I would certainly recommend a visit.

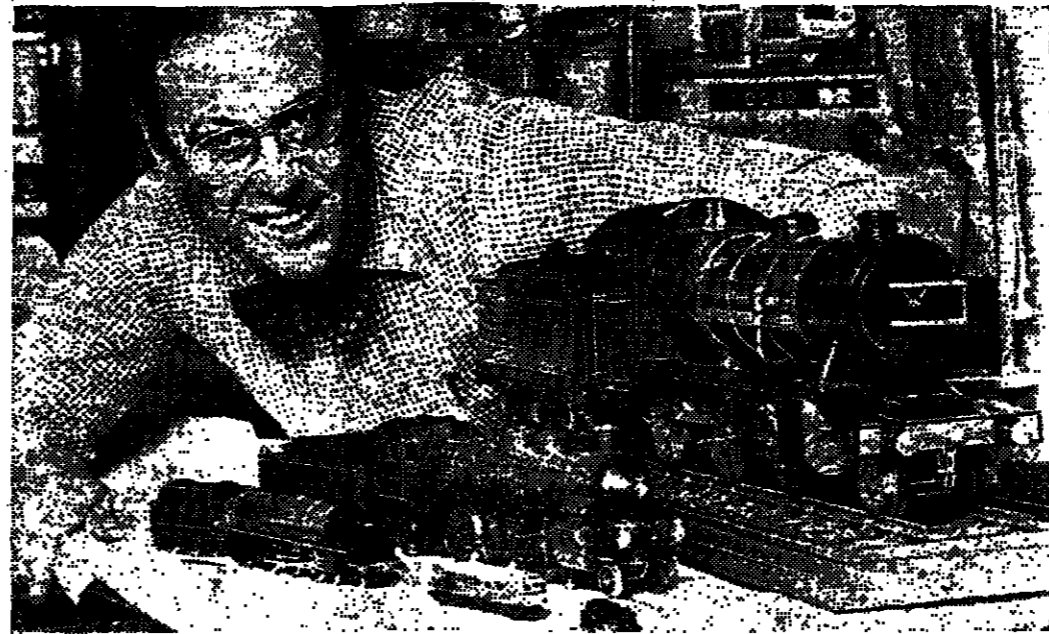
Other shops are in the pipeline for this series, but meanwhile I would be delighted to hear from any reader who would like to tell me about any shop he or she thinks deserves a mention.

Hadley Hobbies

I MAY not know much (let's be honest, anything) about model trains and planes, but I can recognise enthusiasts. And Hadley Hobbies, of 131, Middlesex Street, London E1, is very definitely run by enthusiasts. "Toys for big boys" is how the proprietors describe their business and certainly when I popped in there were plenty of big boys who should have been at the adult equivalent of school.

Hadley Hobbies is run by Graham Colover and John Price. John Price used to run a small model shop nearby in the City and Graham Colover, who used to be in the furniture business, seemed to be his most frequent customer. It struck them that it would be sensible to set up shop together. They say that Hadley Hobbies is the only model shop in the City and indeed its stock is so large — the selection of railway accessories alone is vast — and so specialised that it rivals larger and better-known shops in the rest of London.

The atmosphere in the shop is almost one of a club—regular customers drift in to gaze at their particular fancy. But don't allow the air of authority to put you off—a notice hanging over the counter reads: "Don't be afraid to ask dumb questions." When John Price had his own little shop he used to buy up odds and ends of ranges from manufacturers and these in turn, of course, became collectors' items. Hadley Hobbies has established a market for hand-made models, or anything rare and exotic that is no longer made. The two proprietors travel around to auctions and pick up examples which they know a particular



Graham Colover of Hadley Hobbies, photographed by Ashley Ashwood

customer wants or which is just the thing their clientele would appreciate. A new-war Hornby trainset, originally sold for 49s 6d, would nowadays fetch between 250-£80.

They advertise special lines in the model journals and, as a result, they get visits and requests from all over the world — when businessmen come to London, they make a point of dropping into the shop—or they will write beforehand in the hope that a special requisite can be met. The number of British manufacturers in the field has dwindled considerably and it is sometimes difficult to get hold of the exact model from a foreign manufacturer but Hadley Hobbies will try and will charge a commission. Other special tasks they will

carry out are making baseboards for complete railway layouts, repairing engines, and replacing electric motors either in trains or model aeroplanes. Indeed, they are one of the few shops in London to specialise also in radio-controlled model planes. The Ripmax catalogue, which costs £1.50 from Hadley Hobbies, and illustrates 5,000 separate items, contains a sizeable section on model planes, and to the uninitiated like me this is quite an eye-opener. There is, for instance, the Little Toot, described as a 16-inch span biplane for 0.049 engine, all die cut (£5.35). Some of you may know what this means. The catalogues of the train manufacturers are equally fascinating. Fleischmann for instance shows minute replicas

of the trains that are so familiar on the Continent. There is the coachette carriage that goes through the night from Calais to Marseilles and the blue and white coaches that climb the Swiss mountains.

The shop's customers range from porters at Liverpool Street station to stockbrokers. They get very few children—except in the school holidays—but new customers often start off by pretending that they are buying for their sons.

Hadley Hobbies is open from 9 a.m. to 6 p.m., on Mondays to Fridays, and from 9.30 a.m. to 2 p.m. on Sundays. The shop is very near Petticoat Lane market, and so many people combine a visit on Sunday mornings that someone has to stand at the door to control the flow of customers.



Anne Griffith of The Singing Tree, photographed by Corinne Cockrell

The Singing Tree

I HAVE rarely spent such a happy hour as I did recently at the Singing Tree, a lovely shop at 69 New King's Road, London, SW6. Anne Griffith and Thalia Sanders, who started up and run The Singing Tree, say that they sell dolls houses and their accessories, but this bald statement covers an amazing multiplicity of exquisitely scaled-down objects. Anne Griffith had to wait until she was 13 to be next in line for her family dolls house. It was a long wait, and she has been firmly hooked ever since. She has been collecting old houses and their accoutrements for ten years: Thalia Sanders specialises more in modern ones.

So, as two amateurs who had heard of each other's interests, they came together three years ago. They began to hear about people whose hobbies were making miniature versions of everyday things, until now they have over eighty varieties of making-pieces for them.

Many of these craftsmen—already working in a particular medium—came to them for advice and to see whether there was a gap in the market for their talents. In this way, for instance, someone working in brass was asked to make scales, chandeliers and coal scuttles.

Michael Ayrton, well-known in the world of silhouettes, makes minute copies of his own collection—one of these sells for £5.20.

The collection of glassware has to be seen to be believed. It ranges from a milk bottle (25p) and bottles of wine (rosé is 90p), through the various sorts of drinking glasses (champagne

glass 45p), to twisted candlesticks (with candles 30p a pair) and a three-branched chandelier (£5.20).

There are kitchen utensils (wooden butter pats 60p a pair, grater 60p), and tools for the workshop (plane £1.30, screw-driver 60p), as well as for the utility room (sleeve press £1.90, four clothes pegs 70p and three coat hangers for 45p).

Since the kitchens of these large houses are essentially working kitchens, we must not forget the food. There are over 50 different types ranging from a marrow (45p), a Christmas pudding (45p), to a crown roast with paper frills (£1.40).

Also available is a delightful range of printed wallpapers (40p for a 16 in X 24 in sheet) and 1½ in deep friezes of Kate Greenaway figures. Ideal for miniature nurseries!

The actual houses can be bought as well, of course—I saw a beautiful Georgian three-storey house for £65. A two-storey shop is £35.40 if you can buy a glass-fronted wooden box in which you can arrange a room setting (£35).

Alternatively, you could attempt to build your own house. On sale are period sash windows that open, staircases, spindles, shutters, and doors, hinges, door knobs and knockers. Definitely do-it-yourself for the nimblerfingered.

The scale used virtually throughout is 1½ to 1 ft and this applies particularly to the dolls themselves. The selection here changes constantly as some are sold and new ones arrive but on the day of my visit I saw a French maid, ladies in their ballgown finery, graceful grey-haired grannies and little girls who looked as if they had just rushed in from spinning their tops and wheeling their hoops.

Anne Griffith reckons that most of her customers are in their thirties and who, having been deprived of high-quality toys in their wartime childhoods, appreciate the craftsmanship that has gone into each tiny article, especially in comparison with the mass-produced plastics which seem to be the only alternative nowadays.

The Singing Tree is open from 10 to 5.30, Monday to Friday, 10 to 1 on Saturdays.

Cosmetics à la Carte

I DO not know about you but I always feel that the beauty sales girls in department stores, while looking immaculately made-up, also look as if they spend their entire lives applying and re-applying it. So it was refreshing the other day to come across two women professionally involved in the beauty business who think that make-up should be put on in the morning and should then last all day.

Christina Stewart (who has a B.Sc. in cosmetic chemistry) and Lynne Battley met when they were both working in the research laboratories of a big cosmetic house, and were getting increasingly frustrated by fostering the competition between the large manufacturers rather than catering for the individual customers.

So they decided to set up in business on their own account offering beauty care and advice on a much more personal basis. Just over five years ago they opened their premises, 14 Church Street, London SW1, and although they were then selling perfumes and cosmetics from established beauty houses, they concentrated on making and building up stocks of their own cosmetics made by them in their laboratory in the basement. Now they sell only their own range.



Lynne Battley and Christina Stewart of Cosmetics à la Carte, photographed by Ashley Ashwood

The back-up provided by their suppliers in the industry has helped them considerably. For one thing, they insist that their ingredients are always of the very highest quality and since their requirements are obviously much smaller than those of the large manufacturers, suppliers are often happy to find something special for them.

Cosmetics à la Carte offers many face and body treatments as well as selling a large selection of make-up and skin preparations. An interesting service they offer is to make a cosmetic to match a colour—this is an expensive process (£15 for the first order and £5 for a repeat) and they would first try to match from their existing stock—but if necessary it can be done.

The special treatments may be carried out in private cubicles if the client prefers and these include wax depilation (ankle to knee, £6.50), pedicure (£6), eyelash tinting (£5), a one hour cleansing facial (£8), and different make-up sessions.

A redesigned make-up to suit your personality costs £8 for a one hour session. Lynne gave me a shortened version of this: I liked it—as did my female colleagues—but the men were less than enthusiastic! When Cosmetics à la Carte opened, the first customers tended to be those who lived and worked locally, but over the years custom has grown by word

of mouth to a much wider area. Very often a special occasion—such as a wedding—will prompt people to make their first appointment; regular customers bring along their daughters for their first makeup lessons. Christina and Lynne design faces and skin care routines according to the lives lived by their clients. For instance, horse types living in the country would need different advice from business-women

copied with smoky Boardrooms. But they do consider that British skins are the best in the world—all due to our much maligned climate, they reckon. The variety of weather conditions is essential to that luminous quality for which our skins are supposed to be renowned. Mediterranean skins, they feel, show the effect of continuous summer sunshine, and North American skins also have to cope with central heating and air conditioning.

But, despite our "natural advantage," there is no way to prevent ageing—and skins must be protected from the harmful effects of living with too much traffic.

Lynne and Christina consider that the British are too eager to do themselves down—they tend to bewail their bad points. Good features should be emphasised and the customer's morale and self-confidence will be boosted.

Once a customer has had a makeup devised for her, she will be given a chart with all the details and the shop will keep a record. This means that customers out-of-town can make repeat orders by post (20p per item). Lynne and Christina say that when they look up a reference card, they will remember the face and can make suggestions for alternative colours.

They hope to produce a mail order catalogue later in the year, but at the moment a list of their products is available on request. Prices tend to be in the middle price range, comparable with firms like Helena Rubinstein and Elizabeth Arden. Cosmetics à la Carte is open from 10 a.m. to 5.30 p.m., Mondays, Tuesdays, Thursdays and Fridays and to 7 p.m. on Wednesdays. The phone number is 01-235 0596.

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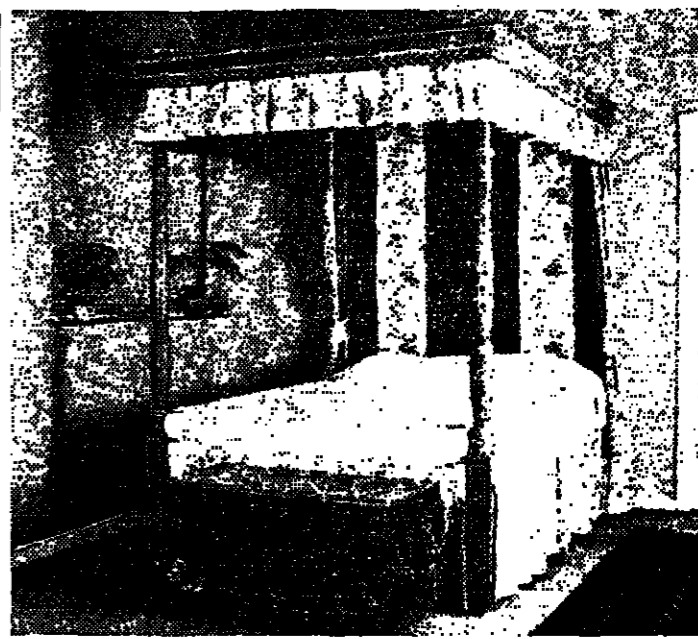
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The Bedchamber

THE BEDCHAMBER, which opened last July at 3 Cadogan Street, London SW3, is very much a family business. The shop's speciality—making and selling four-poster beds—was the idea of the mother of the family, Mrs. Blackett. She had been collecting four-posters for many years from her home in Northumberland, and in 1970 she was inspired to make a copy of one as a wedding present to her niece. Word spread, orders were taken and a hobby became a business.

Now son and daughter, Hugh and Angela, have joined in and formed a company to bring the business south.

While Mrs. Blackett continues the search around the north of the country, Hugh sells reproduction modern beds from The Bedchamber. A standard bed is 7 ft high, and is made to fit either a 5 ft by 6 ft 6 in. or a 4 ft 6 in by 6 ft 3 in mattress. Basic beds come in pine (£325), mahogany (£340) and oak (£370), but prices for different sizes or styles will be quoted. Each bed is made by craftsmen joiners in Northumberland.

Occasionally Hugh Blackett comes by some antique beds or posts which can be incorporated into beds. A new venture is to copy some Hepplewhite posts—these would be about £750 if they were original, and antique beds in any case can cost upwards of £600. Sometimes too he has half-testers for sale—these are invariably cheaper because they need less wood and less fabric.

One little detail that particularly appealed to me was the brass bolt covers; while looking

like an integral part of the post, they in fact cover the bolt which joins the post to the frame.

But it is the hangings which really complete the bed—and this is sister Angela's domain. Nifty with her needle, she makes some of the hangings, but mainly co-ordinates the out-workers in the North who make the pelmets, backcloths, valances and drapes.

There is a good choice of (mainly traditional) fabrics ranging from Laura Ashley (at about £1.50 per metre) to over £10 for more expensive American fabrics. Choice of fabric obviously determines the overall cost, but the charge for making up standard style hangings is £110.

The assistant in the shop, Beilinda Firth, is herself an interior designer and is happy to give advice on suitable fabrics and colour schemes for customer's bedrooms.

Accessories also contribute to the look of a room and The Bedchamber has a small range of these, such as collage pictures, painted chamber pots for flowers or plants, and occasionally stencilled furniture. Flowers and patterns painted onto blanket boxes, side tables, chairs and chests-of-drawers make them look so pretty that they sell out fast, but you may be lucky.

It is also possible to have stencilled bed posts and cornice; this would cost an extra £200, but it certainly makes a bed something out of the ordinary. One I saw in the shop had green and pink hangings with green and pink stencilled posts and cornice; it looked really charming.

The Bedchamber is open from 9.30 to 5.30, Monday to Friday and 9.30 to 1 on Saturday.

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TAKING YOUR CAR ON HOLIDAY I

There are more facilities for the motorist travelling any road than ever. Arthur Sandles looks at the motoring holiday prospects for 1979.

A bumper to bumper year

THERE SEEMS little doubt that the travel industry thinks the Briton will never give up his car. Indications are that the one buoyant field of a rather depressed shipbuilding world is that concerned with car ferries. British Rail and Townsend Thoresen alone have six ships on order and B and I have new tonnage on the Irish routes this summer. This position is reflected in other parts of Europe and much further afield.

Apart from the ships, hovercraft have now carved themselves a slice of the market and hydrofoils, for passengers only, are biting their way into the business. The net result of all this is that the consumer no longer has to study maps to find out where the ferries are. It is more a matter of pin-pointing the ports which even now do not have a ferry service operating from them.

The rush to provide services is in answer to considerable demand and this means that at certain times of this year, and on certain routes, it may be best to book early. The ferry companies always insist that they have to charge so much because the holiday traffic peaks at certain times and the ships have ample space at others. In consumer terms this simply means that it is best to have a confirmed booking for weekends in August. It also means that some ports are best avoided at these peak times. Dover may be splendidly organised much of the time, but it is no place in August to arrive say four hours before departure and hope to drift into town for a leisurely lunch.

But the other ports often have less frequency of traffic, making the need for booking even greater.

If you must travel in the peak period because, like me, you have children of school age who are reluctant to take time off because of approaching examinations, then consider some of the countries which offer less crowded roads when you get there. The West of Ireland is still a delight to drive in and Scandinavia too has superbly maintained highways with, to my mind, relatively light traffic on them, particularly further north.

One should not forget, of course, that taking your car on holiday does not necessarily mean going abroad. In Britain around two-thirds of domestic holidaymakers make their vacation trip in the family car. Britain's great advantage is that it is now considerably ahead in the provision of tourist information. On that some continental countries had the wealth of well laid out information that is offered by some of the British regional tourist boards. Over the years the boards have increasingly taken over the work of information providing and the system clearly works very well—better, if I may knock an established travel myth than the Syndicates d'Initiatives in France.

The ferry companies themselves, however, are getting much better at displaying information. Such is the competitive nature of the business these days that they have all been forced to jolly up the brochures and introduce a greater degree of clarity into the timetables. Most companies now offer fairly detailed advice to motorists.



Sweden, one of the nicer countries for a driving holiday.

Planning and pricing

IT MADE us late for dinner that book. We were in a small hotel in Galway, preparing ourselves for another assault on the local oysters, one of the hidden joys of off-season travel, when we stumbled across a slim volume describing a European journey in a British light car some 50 years ago. It was a fascinating work, not least because the "1" of the first few chapters suddenly became "we," suggesting that ours was the expurgated version. But above all the pleasure lay in the photographs. There was the little car being loaded by crane at Dover, standing on cobbles in Paris, and parked perilously on a pocked mountain pass. The text was a mixture of pleasure and surprise, that the tour had been completed in such a flimsy machine.

By comparison, today's trips hold less drama, but still the motoring tour is something of a plunge into the unknown. And still it means happy evenings of preparation, surrounded by maps, timetables, brochures and today, a pocket calculator.

Perhaps it is the calculator that makes today's prices seem all the more alarming. In no time at all it clocks up the fact that a return short-sea crossing in peak season in a medium-sized car carrying two adults and two children costs only a few pounds less than £100. A few years ago it would have taken my mind an hour or so to work that out. Now the answer is there in seconds.

The actual cost of travel has become such a significant feature of any holiday budget these days that it pays to give particular attention to routes chosen, and even to the days of the week selected for departure and return. Fortunately the number of ferry services operat-

ing around the UK allows for considerable flexibility in planning, particularly as it is possible to leave Britain by one route and return by another.

In terms of time at sea the longer routes are increasingly attractive to the motorist. The 64-hour run from Southampton to Le Havre for our family of four in peak season would cost around £125 for the round trip—more than four times the travel for only 25 per cent more money.

Although prices start to rise again once an overnight stay is involved on any ship, the long haul voyages, say to Scandinavia with DFDS or Tor Line, or down to Santander with Brittany Ferries, are still well worth examining. In making assessments of cost it is easy to forget the en route expenses of motoring when deciding between perhaps driving to San Sebastian, or taking the ferry to Santander. This is particularly true if you have a family. When my children were much younger I can recall agonising nights in small French hotels when their running up and down wood-floored rooms in their holiday excitement echoed

through vintage buildings. The longer-haul ships often have a sort of cruise mood to them, with well-run relaxing restaurants and pleasant bars meant for gentle time-wasting rather than the frantic duty-free drinking which is sometimes the case on the short routes.

Planning a route, once across the Channel, is great fun, but motorists should avoid the obvious. The autoroutes may look attractive on paper, and lead to high speeds, but there is so much to be seen off the main roads that it is worth dawdling a little.

In much of Europe it is easy to find quite good secondary roads, usually the old main roads, which do not cut down your timings too much, except thanks to the temptations of sightseeing en route. This is not necessarily the case in Italy, however. Although the tolls on the autostrade have recently gone up again there is still little alternative for any motorist who wishes to make reasonably speedy progress through the country.

As far as accommodation during the journey is concerned, in France at least, I think you do not go very far wrong with Michelin. That company's hotel and restaurant guides to other countries are also useful but sometimes seem to lack the edge that they have in their own countries.

There are companies which offer pre-packed motoring tours, which give the traveller firm bookings at hotels, but the number has reduced somewhat over the years. Alternatively you can make reservations from the UK before you go. Grand Metropolitan Hotels and Trust Houses Forte both have hotels in Paris, for example, and most

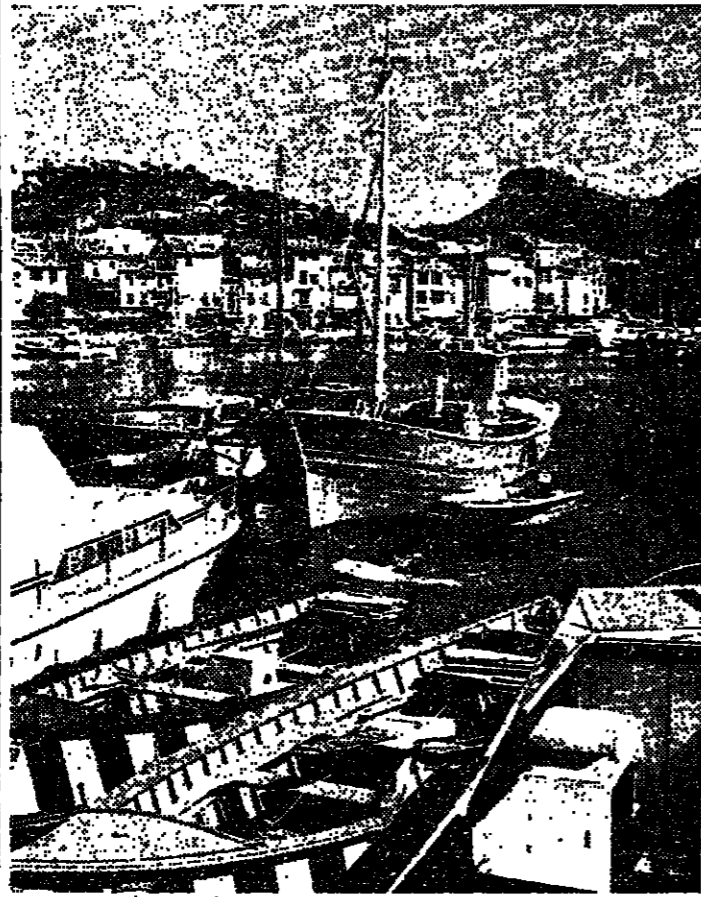
travel agents have access to the central booking offices of hotel organisations, British and foreign.

The last Grand Met hotel I visited in Paris was the Penta, which is just out of town. It is probably one of the least French hotels you could expect to find but, for the motoring family, it has many advantages. It has quick Metro links with the city centre. It is modern and comes complete with swimming pool, sauna, coffee shop and adjacent supermarket. And you can park nearby. But then, perhaps it is more fun to struggle round the Parisian streets looking for a parking space and a hotel with rooms.

For other accommodation must tourist offices can supply hotel lists for towns you choose. Tourist office service is variable, but most try to be helpful. Try: Austria, 30, St. George Street, London, W1R 9FA. Denmark, 169, Regent Street, London, W1R 9SP. France, 178, Piccadilly, London W1V 0AL. Germany, 61, Conduit Street, London, W1R 0EN. Greece, 195, Regent Street, London, W1R 9DL. Italy, 201, Regent Street, London, W1R 8AY. Netherlands, 143, New Bond Street, London, W1Y 0QS. Norway, 20, Pall Mall, London, SW1 5NE. Spain, 57, St. James Street, London, SW1A 1LD. Switzerland, Swiss Centre, 1, New Coventry Street, London, W1V 3GH.

FUEL PRICES

Petrol prices in much of Europe are considerably higher than they are in the UK and, if you drive a heavily loaded car at high speeds, you may use more petrol than you counted on. Expect to pay nearly £1.50 a gallon for fuel in France and not much less in Switzerland. In the Netherlands, Germany and Austria you will pay perhaps one-third more for petrol than in the UK.



- ADDRESSES**
- B and I Line, 155 Regent Street, London W1.
 - Brittany Ferries, Millbay Docks, Plymouth PL1 3EP.
 - DFDS, Mermaid House, Peppers Street, London EC3N 4BX.
 - Hoverford, International Hoverport, Ramsgate, Kent CT12 5HS.
 - Northolme Line, Atlas House, Southgate Road, Great Yarmouth.
 - North Sea Ferries, King George Dock, Hedon Road, Hull HU8 5QA.
 - Jeilink Ferries, 18 Westminster Palace Gardens, Artillery Row, London SW1.
 - Ola Line, Sheerness Docks, Sheerness, Kent ME12 1SN.
 - Fast Olsen/Bergen Line, 228 Regent Street, Belfast.
 - Polish Baltic Line, Cordis House, Ferry Terminal, The Docks, Felixstowe.
 - P and O Irish Sea Services, 84 High Street, Belfast.
 - P and O Normandy Ferries, Arundel Towers, Portland Terrace, Southampton SO9 1AE.
 - P and O Ferries (Orkney and Shetland Shipping), PO Box A, Matthew's Quay, Aberdeen.
 - Prims Ferries, 14 Queen Street, London W1X 8BA.
 - Saillink/Seaspeed, Car Ferry Centre, 52 Grosvenor Gardens, London SW1W 0AG.
 - Townsend Thoresen, 127 Regent Street, London W1R 8LD.

The south of France is one of the most popular areas for the British to visit on motoring holidays. Although reachable in a long day's hard driving such a trip can be expensive in tolls on France's autoroutes. A pleasanter way to make the journey is, by the quieter country roads.

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TAKING YOUR CAR ON HOLIDAY II

Over the years facilities for booking self-catering accommodation in Europe have grown. This year, however, the demand is likely to be very high.

A place to stay

ONE OF the more pleasant developments in travel over recent years has been the expansion of facilities for self-catering, in the form of villas, camping and caravaning. Whereas scarcely a decade ago the motorist looking for self-catering accommodation did so very much at his own risk, villa rental has become a much more sophisticated business and camping sites are much simpler to explore by post than once they were.

However, it is still true that the most centrally organised of the villa operators tend to be those which have their activities centred the greatest distance away from Britain's shores. The Algarve, Southern Spain and Greece are all a considerable drive, even with the help of the longer haul ferries. They are certainly beyond the staying power of my daughters as far as being passengers is concerned. However, there is an increasing awareness of the British market in France.

Spanish and Portuguese villas tend to have been built recently and specifically for holiday use. French cottages and apartments are usually considerably older and are simply houses that have been put out to retirement. This usually gives French property the edge on charm. The houses have an intimate, lived-in, feel which is often absent from more southerly establishments. However, the margin for error is clearly greater, so do not be surprised by the occasional mouse or damp patch.

A browse through the French villa brochures is a dangerous pastime. Some of the offerings are almost too tempting to resist. As far as prices are concerned, it seems that next summer, high season, a family of four would expect to be paying around £130-£170 a week for a French cottage in a rural rather than seaside position. Obviously these figures are subject to considerable flexibility with location, standards, demand and owner's whim all adding up to make precise guidance difficult. It therefore pays to shop around before making a decision. Price differentials between

various offers can be considerable. However, this year in particular, do not take too long in the shopping. With something as individual as a villa the better properties tend to go quickly. Once a family has found one they like they often book the same place year after year.

This year in particular the demand for foreign holidays in general from the British has been very high and the demand for self-catering accommodation has followed this general trend. Do not expect to wait until June to find that perfect Dordogne hideaway for two weeks in August.

The "two-week" system of the British is also an occasional problem. The Continentals, and notably the French, tend to take their summer holidays in four-week batches, so owners tend to prefer to deal in this much simpler style of booking. But where do you find all

A browse through the brochure is a dangerous pastime. Some of the offerings are almost too tempting to resist.

these French rural delights? Probably the biggest selection can be found in the Gites de France, the organisation which gathers together thousands of independent country property owners to let accommodation. In Britain you can find a useful list of the Gites in the book French Farm and Village Holiday Guide, published by Duo Publishing (1, Hermes Street, London, N1) and available at bookstalls, price £2.25.

A selection of these Gites can also be found in the brochures of the French Travel Services (Hudson's Place, Victoria Station, London SW1V 1JK). The FTS has some 150 French properties reserved for its use and you should therefore be

able to get a rapid response without the chore of writing to France. The prices for four adults, two weeks, including Channel crossing, start at £182 in the low season and £253 in high summer.

Another exhaustive list is to be found in the bulky brochure of Swiss Chalets Inter Home. No, it does not just serve Switzerland, but the whole of Europe, including the UK. If you write seeking a brochure (10, Sheen Road, Richmond, Surrey TW9 1AE), specify whether you want the seaside countries - France, Spain, Belgium, Italy, the UK, etc - or the alpine areas. The brochures are big, but not glossy.

Two other companies of which I have heard good reports, but of which I have no personal experience, are Vacances Franco-Belgiques (15, Rodney Road, Cheltenham, Glos.) and Vacances de Campagne (Box Cottage, Sutton, Nr. Pulborough, W. Sussex).

There are more than 250 villas in the brochure of Belvillas (8, Barclay Road, Croydon CR0 1JN). Again many of them are in Brittany, but there is also a wide selection on other parts of the Atlantic and Basque coasts, Languedoc-Roussillon, the Alps and the Côte d'Azur. As with most of the villa companies, Belvillas will also look after ferry reservations.

Although there are many small family companies in the villa business, there are also one or two giants. American Express went into the villa business in 1977 and has been so pleased with the results that it has considerably expanded its programme this year. American Express (8, Haymarket, London SW1Y 4BS and branches) has a series of brochures on France, Italy and Portugal, so specify the country concerned if you ask for further information.

Not quite villas, and yet not camping, are the holiday chalets offered by some companies. Townsend Thoresen (1, Camden Crescent, Dover, Kent) has its own holiday village of chalets at De Haar on the Belgian coast. It is inexpensive and fun, particularly for kids. Some superb wood and chalets can be found in the Swedish brochures of Tor Line (34, Panton Street, Haymarket, London, SW1).

One holiday which always seems to get rave notices is camping, with rented tents already set up and fully equipped awaiting the motorist and family. The company which really got this business going was Canvas Holidays (Bull Plain, Hertford SG14 1DY). This is one of the friendliest operations in the holiday business and one of the most helpful. Some friends of mine recently booked a holiday with Canvas and then found they had in fact booked month earlier than they had intended. No problem said Canvas to the blushing customers, and rearranged the whole thing.

But these days Canvas has serious competition. Eurocamp (82, King Street, Knutsford, Cheshire) has a very informative and comprehensive brochure giving details of 19 sites and around 500 tents which it will have on offer.

Freshfields (441, Oxford Street, London W1A 1BF) is another camping site company which is making a great deal of effort in the field, and clearly growing fast. If you recognise the address, you're right - it is a subsidiary of Butlins.

All in all then, the range of accommodation for any motorist seeking self-catering properties these days is huge. Some of the villa company brochures contain booking conditions which, at first glance, seem onerous. One, for example, will not let you cancel three months before departure without loss of all monies paid. Read the booking conditions carefully and if you are worried, don't book. Remember, however, that villa owners often seek high guaranteed income from the agencies so villa tour operators do not always have the flexibility that hotel operators do. If the villa is unlet the company still has to pay.



The Irish west

Driving in a foreign country can be fun - but sometimes there can be problems. It is best to be prepared.

Perils and pitfalls

IT IS NOT only dogs and cats that grow like their owners. Family cars are mirrors of family personalities. My vehicle of the moment is, for example, not entirely reliable. It tries very hard to please, but it is a disorganised sort of car. Given half a chance it will spend whole weekends unwashed and, to be honest, it is not as fit as it should be.

Taking it on holiday, therefore, is something of an adventure. But I've met some very helpful garage hands, and it is quite fun to be thrown into the nearest coffee shop or bar awaiting a repair.

It is odd how all the travel brochures, and even the travel pages, laud the glorious freedom of motoring holidays and yet post-holiday conversations tend to include a hilarious story or two about finding that parking space in Nice, having the car taken apart by customs men at the Yugoslav-Greek border, and getting that flat tyre in central Barcelona.

Over the years I've had bearings go in Italy, windows smashed by thieves in France, a wheel (newly attached) come off in Ireland, I've been rammed by Mayoral Rolls in Caernarvon and by rhinoceros in Kenya. Cheating gum once fixed a carburettor in Normandy and a wire coat hanger an exhaust pipe in Sweden. Although once booked for doing a U-turn in Massachusetts most incidents have been sorted out without the aid of the law, although the afternoon that I went over the ravine just ahead of me on a road in northern Uttar Pradesh did, eventually, produce the military.

It was in the course of last year when an ageing French hippy backed into me just outside Cannes and has ever since claimed that I drove into him that I learned at last the wisdom of preparing for such incidents in advance. In much of Europe it is common practice in the case of an accident to fill in an accident report form on the spot and to get both drivers to agree as much as possible about the incident. It is also helpful to have a camera handy so that the positions of the vehicles can be photographed, to cut out all argument. Familiarise yourself with the accident report form before you go.

You should also, of course, find out exactly where you stand in terms of insurance. Since Britain entered the Common Market, all British insurance policies have been required to give basic protection to the British motorist when he is within the EEC. This basic, however, varies from country to country and you would be extremely unwise to rely upon it even if you only have third party fire and theft cover in the UK. Green Cards are still the norm, and should cost you £5-£10 (for a small family car) upwards. Such insurance is essential for Spain, and should include ball-bond cover.

You can get car recovery cover from the motoring organisations or from private insurers such as Europ Assistance. Again, such cover is not a legal requirement but wise. If you are involved in a serious accident, or have a serious mechanical breakdown, the country in which you are driving may consider that you have imported the car and require you to pay duty. The

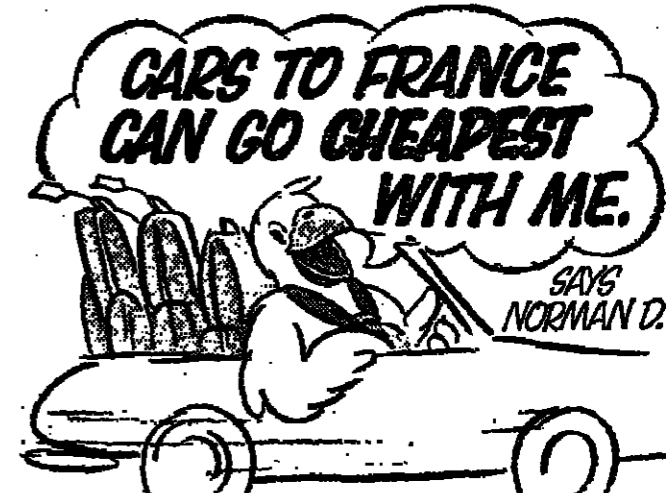
only way to avoid this is to export the wreckage back to Britain.

As far as health insurance is concerned there is now a wealth of schemes available and all need studying closely. The motoring holidaymaker is less interested in cover for loss of deposits than the package tourists, but much more interested in baggage cover, since the motorist has more room and therefore probably more luggage. The motorist may also be carrying more money - although in these days of credit cards, the Euro-cheque system and refundable travel cheques this should not be the case.

Motorists in Europe should get the leaflets SA 28 and SA 30 on European health cover from their local Health and Social Security Office. This details the reciprocal treatment given to British residents in other EEC countries. Again the facilities and paperwork vary.

Even if you are taking out private health insurance, which you should, details of the reciprocal system and the necessary identification papers are important. It is just possible that one member of the party contracts a serious disease or has a serious accident which potentially could exhaust even quite good cover. In some European countries, like Britain perhaps, if you have something seriously wrong you are as well off under the wing of the state as privately. It is only when you have something minor, like a broken leg or hernia, that things start getting ragged.

It is also essential that all the adults in the group are familiar with the papers and that even the children know where they are kept. All this may sound very alarming. As we all know, most holidays go smoothly enough without recourse to law, hospital or garage. It is, however, best to be prepared. A phrase book may sound a bit gauche but can be useful, particularly one which has detailed menu lists. Berlitz does a chubby (the book, not the reader) European menu reader and you may find copies of a Collins series of menu readers for individual countries.



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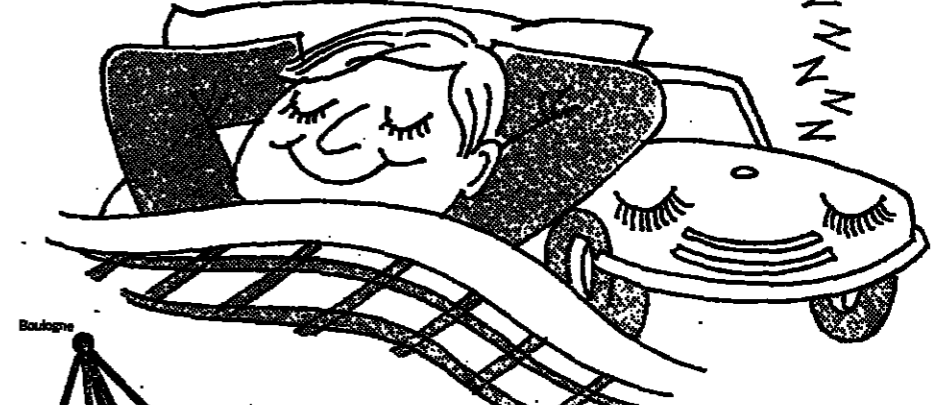
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FT 3/2

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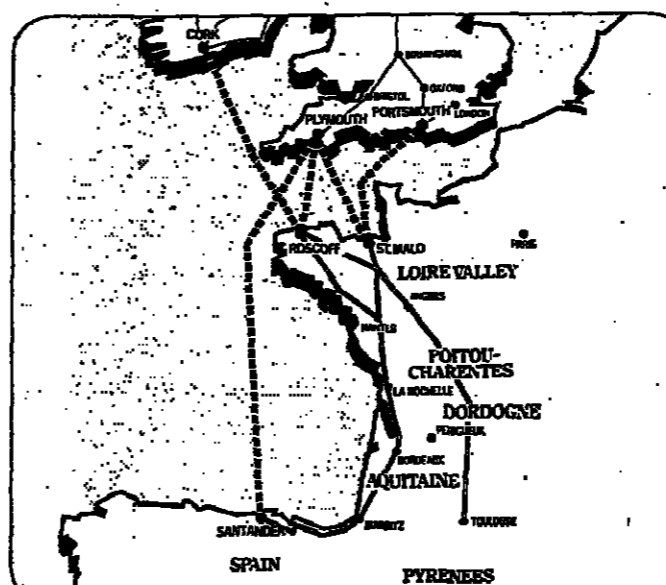
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Roscoff	314	428	469	537
Calais	215	330	373	411
Dieppe	194	305	368	398
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ARTS



Ann Howard and Geoffrey Pogson

Ann Howard's Carmen

Ann Howard, physically, dramatically, and vocally the most striking of the English Carmens, has returned to the English National production. I admire Miss Howard's performance as much, indeed, as any I have seen: for in combination of physical allure, frankness of temperament, wit of utterance, and the revelation of an underlying, unflinching toughness of soul, she conveys and conjoins the importance of a role very seldom encompassed to the full. She knows how best to invest the natural assets of a tall, statuesque figure, and features not only provocatively handsome in their dark, clean cut, but alert to suggestions of a sensuous, mocking amusement; by never setting them up in exaggerated display of the character's untamed sexuality. The easy naturalness of this Carmen was simply remarked upon when the production was first seen, nearly nine years ago. The passage of time has deepened its suggestive powers, and

enriched and mellowed, without dulling, the very individual colour and flavour of the voice, smoky, spiky, and purple all at once. On Thursday, the Habanera did not come into focus (and the line should be purified of those scoops that disfigure the "Soon after that, the tone settled and flowed, rich and steady on the low A flat,

Gray, perhaps somewhat heroically voiced for the character—or is this sterling, thrillingly resolute delivery what it needs, and are all the other striking-violet Micaëlas out of place? (The ENO must tempt this fine singer away from the Scots more often.) Ian Reid conducted a spirited reading, although it was not at all well played, especially in the first act, and was loosely sung by the chorus. Mr. Reid is a courteous, sensitive accompanist: the Flower Song, from its opening phrases, was prepared and shaped with point and direction, and this was of especial value to the angular though not unpleasing vocalization of the José. Inside Geoffrey Pogson's rather sheepish posture, a sincere and even quite intense portrayal waits for the attention of a vigilant producer, as the later scenes of the opera revealed. At present, too much of the early and middle stages carry the air of a nice chap in a bit of a spot.

OPERA

MAX LOPPERT

powerful and true on the note two octaves above—Miss Howard's final "I love him!" made a wonderful sound, big, passionate, and defiant. She was not a notable feature of a performance that mostly placed itself, and not unworthily so, on the level of a routine repertory revival. The other was the Micaëla of Linda Esther

Ross/Costello

Annie Ross is more restrained than the usual Country Cousin cabaret artist, who tends to be America, emotional and sexually ambivalent. There may still be a trace of an American accent to her, stretching back to the days when she was the pretty bit of Lambert, Hendricks, and Ross, the innovative jazz vocalists, but essentially she is a serious singer, more used to the church-like atmosphere of a jazz club than the enormities of Country Cousin, a supper room situated in that part of the King's Road where the rich meet the interesting.

we say goodbye, than pushing young Brazilian composers. The voice may wander sometimes but the style ensures an amiable evening which will probably sparkle more when the audience grows. There was no lack of an audience for Elvis Costello at the Hammersmith Palais this week when he played a quick return date in London. The unshakable combination of clever publicity and talent have moved Costello remorselessly to the very top, and this was a kind of thank you from the new super star.

POP

ANTONY THORNCROFT

So her current season there is classy rather than shocking, pleasant, not controversial. She is greatly aided by having the Harry South Trio backing her through a set which is perhaps too much designed to show Annie Ross as a cabaret performer rather than as a jazz singer. I prefer her singing the blues in *Come to Chicago* or the standards, like *Everytime*

You could tell it was meant to be a party because Costello, notoriously rude, was actually talking to the audience which he joked very good, until almost eleven to see this small sensation perform. There is no denying the power of Costello's songs as he raced through old and new, fast and slow, drugging the weary mess with the clever instant rhythms which underpin pin quirky lyrics and subtle melodies. Elvis Costello is bold in relying on his music to make up for the man, but judging by the enthusiastic scenes at the Palais he could easily become the biggest British export since Elton John.

Portraits of painters

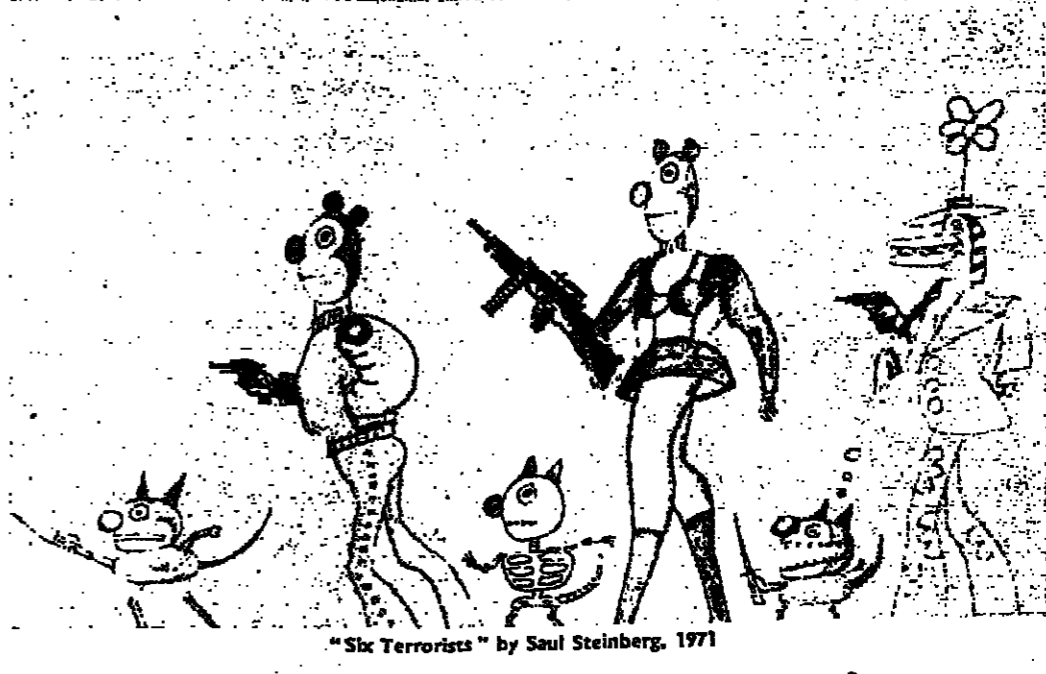
In the 1860's the Scottish artist John Ballantyne painted a series of 15 portraits showing some of his leading fellow artists at work in their studios. Six such portraits, the property of Mrs. Marianne Skiddebrand, were sold at Christie's yesterday for a total of £64,500.

models for his lions in Trafalgar Square. In other lots Frederick Richard Lee's "Waiting for the Ferry" sold for £16,000 to the London dealer Ackermann. This is an interesting picture because it has been through the same saleroom on four other occasions, making £225 15s in 1873; 19 guineas in 1925; 44 guineas in 1932; and 231 guineas in 1950. "Traveling" at a Country Inn" by William Shayer went for £14,000; a painting of an American Western Ocean Packet anchored in Cork Harbour at the time of the Great Famine, by George Mounsey Atkinson, £12,000; and Atkinson Grimshaw's view of "Hull Docks by Night" was bought by Imco Marine of London for the same sum. The auction of Victorian pictures totalled £47,840.

SALEROOM

ANTONY THORNCROFT

£18,000, plus the 10 per cent buyer's premium, and was bought by the London dealer Roy Miles. He also paid £13,000 for another in the series, of Daniel Maclise. Ballantyne's portrait of Sir Francis Grant went for £18,000 and that of David Roberts made £13,000. The National Portrait Gallery of Scotland has four of the paintings from the series, and the National Portrait Gallery in London two, including one of Sir Edwin Landseer working on the



"Six Terrorists" by Saul Steinberg, 1971

Artist as cartoonist

The great cartoonist does not need to be even an adequate draughtsman so long as his jokes are good, and his shortcomings will even grow by degrees to become the marks of his particular identity. The gifted artist, on the other hand, if his jokes are very good, will often see his visual gifts pass unremarked amid the general laughter. Speed, sophistication, and effectiveness are the self-denying virtues of this highly specialised calling. The graphic cliché draws the eye, the idiosyncrasy conceals the art. But following upon this curious circumstance comes a certain

and collected, and taken into the museums; but we must be careful that the closeness of the joke, and sometimes the shock that goes with it, do not blind us to its actual state. Saul Steinberg, who has adorned the New Yorker Magazine for rather more than a generation, is the latest to be given the treatment, his cult honoured by an exhaustive retrospective at the Whitney in New York last summer, from which a substantial extract has now been brought to the Serpentine Gallery (until February 25). It is a lovely exhibition, full of the most enjoyable and funny stuff, the imagery eccentric and grotesque

in its exaggeration, the line itself frequently as mordant as the wit it serves. But Steinberg, though a wit perhaps of genius, is an artist, and his work is marked by a certain self-consciousness and limitations, for these we can accept within the terms of the activity, a professional job done quickly against a deadline, self-conscious and very funny. But he would like to be a painter, and he does not paint very well. The elaborate documents, the Cubist pastiches, the water-colours, the table-top compendia, all of them are worthy, arty, and rather sad.

ART

WILLIAM PACKER

tendency towards over-compensation. Take the cartoon from the page, put the art-work into the frame and onto the wall, and suddenly talent is transformed into genius, as it is with Gillray, for example, clearly one of the great draughtsmen of his time and any other age, and Hogarth and Rowlandson. With the cartoonists and satirists of our own day we must be more circumspect. Exhibitions of their work are not uncommon, and certainly we get the impression that they would like to be taken seriously as artists, to show us the serious face beneath the grin. Such work, quite rightly, is enjoyed

Arts news in brief

Lord Donaldson, Minister for the Arts, has announced the appointments of Usha Prashar and Noel Goodwin to the Arts Council of Great Britain. Flashpoint, written by Tom Kempinski and directed by Anton Rodgers, will open at the Mayfair Theatre on February 14. Tony Selby and David Dixon head the cast. Queen Elizabeth, the Queen Mother, patron of the Robert Mayer Concerts, will attend a special children's concert on Saturday March 10 at the

Festival Hall, in honour of their founder Sir Robert Mayer, who will be 100 on June 5. It will be broadcast live by BBC Radio 3. Bing Crosby is to be honoured by the London Palladium. A plaque is to be placed in the theatre to commemorate the fact that the last week of the American singer's working life was at the theatre playing to capacity audiences. Crosby, who died in October 1977, is only the second star to be accorded this distinction. The other was Judy Garland.

TV/Radio

*Indicates programme in black and white

- BBC 1
9.20 am Feeling Great! 9.30 Multi-coloured Swap Swap. 12.13 pm Weather.
12.15 Grandstand: Football Focus (12.20); 1979 European Figure Skating Championships (12.50); Badminton (1.05-1.50); Thomas Cup-European Zone semi-final: England v. Sweden; Skiing (1.30); Women's Downhill; Rugby Union (2.30) England v. Scotland and 4.05 Wales v. Ireland (highlights); 4.40 Final Score.
5.15 The Pink Panther.
5.25 News.
5.45 Sport/Regional News.
5.50 Jim'll Fix It.
6.25 Dr. Who.
6.50 Saturday Night at the Movies: "Texas Across the River," starring Dean Martin.
8.30 The Two Ronnies.
9.10 Stargate and Hitchhiker.
10.00 News.
10.10 Match of the Day.
11.10 Parkinson.
All Regions as BBC1 except at the following times:
Scotland—4.35-5.15 pm Scoreboard. 5.45-5.50 Scoreboard. 10.10 Sportsweek. 10.10-11.40 A Handful of Songs. 12.10 am News and Weather for Scotland.
Wales—3.55 am Feeling Great. 8.45-9.30 Tellygram. 2.30-4.40 pm Grandstand: Rugby Union: Wales v. Ireland and England

- v. Scotland (highlights). 4.40 Join BBC1 (Final Score). 5.45-5.50 Sports/news for Wales. 12.10 am News and weather for Wales.
Northern Ireland—2.30-4.40 pm (Grandstand) International Rugby Union: Wales v. Ireland and England v. Scotland (highlights). 4.40 Join BBC1 (Final Score). 5.45-5.51 Scoreboard. 5.45-5.50 Northern Ireland News. 12.10 am News and weather for Northern Ireland.
BBC 2
2.55 pm Saturday Cinema: "Kissin' Cousins," starring Elvis Presley.
4.30 Play Away.
5.30 News and His Dog.
5.35 Network.
6.05 Men of Ideas.
6.30 Rock Goes to College.
7.30 News and Sport.
7.40 Horizon.
8.30 On the Record.
9.10 Liam Bream and John Williams.
10.10 The American Short Story.
11.00 News on 2.
11.10 Darts: The Embassy World Professional Darts Championship.
12.00 Midnight Movie: "90 Degrees in the Shade," starring Anne Heywood.
LONDON
8.35 am Sesame Street. 9.35 The Monkees. 10.00 The Saturday Morning Show. 11.30 Tarzan. 12.30 pm World of Sport: 12.35 Headline: 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Sandown plus greyhound racing.
12.30 pm World of Sport: 12.35 Headline: 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Sandown plus greyhound racing.
1.30 International Sports Special—from New Zealand highlights of the Pan Am International Series of athletics meetings, also highlights of World Cyclo-Cross Professional Championships from Italy, plus exhibition Pool: 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Dick Barton—Special Agent.
5.30 Happy Days.
6.00 Chips.
7.00 Dick Turpin.
7.30 Celebrity Squares.
8.00 Saturday Action—"Ski Lift to Death" (film made for television).
9.45 News.
10.00 By Alan Bennett—Six Plays.
11.15 How To Stay Alive.
11.45 Baretta.
12.45 am Close: A painting by Bregenhil with Renaissance music.
All IBA Regions as London except at the following times:
ANGLIA
9.10 am Carmen. 9.30 Make It Count. 10.00 The Secret Lives of Wanda. 10.30 Tiswas. 5.30 pm Mark and Mandy. 6.00 The Incredible Hulk. 8.00 The Ghost of Flight Instructor. 11.45 Michel Legrand and Friends.
ATV
9.10 am How To Stay Alive. 9.35 Make It Count. 10.00 The Secret Lives of Wanda. 10.30 Tiswas. 5.30 pm Mark and Mandy. 6.00 The Incredible Hulk. 8.00 Film: "The Ghost of Flight Instructor." 11.45 Michel Legrand and Friends.
BORDER
9.00 am Sesame Street. 9.30 Mark and Mandy. 6.00 The Incredible Hulk. 8.00 Film: "The Ghost of Flight Instructor." 11.45 Michel Legrand and Friends.
CHANNEL
12.18 pm Puffin's Picnic. 5.30 The Life and Times of Grizzly Adams. 6.30 Happy Days. 7.00 Celebrity Squares. 8.00 News. 11.15 Celebrity Concert (Connie Stevens).
GRAMPIAN
9.00 am Sesame Street. 6.00 pm The Incredible Hulk. 11.15 Reflections. 11.20 Saturday Night in Concert. 11.50 The Practice.
GRANADA
9.35 am Mark and Mandy. 10.05 The Flintstones. 5.30 pm Mark and Mandy. 6.00 The Incredible Hulk. 8.00 The Ghost of Flight Instructor. 11.45 Michel Legrand and Friends.
HTV
9.05 am The Chills Wants A Hole. 9.30 Beachcombers. 9.55 Countdown. 10.05 The Flintstones. 10.30 Tiswas. 5.30 pm Mark and Mandy. 6.00 The Incredible Hulk. 8.00 The Ghost of Flight Instructor. 11.45 Michel Legrand and Friends.
SCOTTISH
9.30 am Adventures in Rainbow Country. 11.30 Chopper Squad. 5.30 pm Mark and Mandy. 6.00 The Incredible Hulk. 8.00 The Ghost of Flight Instructor. 11.45 Michel Legrand and Friends.
SOUTHERN
9.00 am Sesame Street. 11.30 The Bionic Woman. 12.27 pm Regional Weather Forecast. 5.15 Batman. 5.30 pm Mark and Mandy. 6.00 The Incredible Hulk. 8.00 They Only Kill Their Masters, starring James Garner. 11.15 Countdown. 11.45 Michel Legrand and Friends.
TYNE TEES
9.00 am Saturday Shake-Up. 9.05 Tarzan. 10.00 Call It Macaroni. 10.25 Morning News. 12.15 The Incredible Hulk. 8.00 Film: "The Ghost of Flight Instructor." 11.45 Michel Legrand and Friends.
WILTSHIRE
9.00 am Sesame Street. 9.30 Mark and Mandy. 6.00 The Incredible Hulk. 8.00 Film: "The Ghost of Flight Instructor." 11.45 Michel Legrand and Friends.

- ULSTER
10.10 am The Subliminal. 10.15 Spider-Man. 10.35 Little House On The Prairie. 11.30 Sesame Street. 5.00 pm Sports Round-up. 6.00 News. 8.00 Saturday Movie: "Murder On Flight 502." 11.15 Build Your Own Boat.
WESTWARD
9.00 am Sesame Street. 6.00 pm The Incredible Hulk. 11.15 Reflections. 11.20 Saturday Night in Concert. 11.50 The Practice.
YORKSHIRE
9.00 am Sesame Street. 9.20 The King's Prince. 10.30 Caravan Times. 11.05 The Bionic Woman. 12.27 pm Regional Weather Forecast. 5.15 Batman. 5.30 pm Mark and Mandy. 6.00 The Incredible Hulk. 8.00 They Only Kill Their Masters, starring James Garner. 11.15 Countdown. 11.45 Michel Legrand and Friends.
RADIO 1
(S) Strophophone broadcast. 5.00 am News. 6.00 am Today. 6.50 News. 8.00 am Today. 10.00 Peter Powell. 1.00 pm Adrian Jaxx. 2.00 Paul McCartney. 3.00 pm News. 4.00 pm Today. 5.30 pm News. 6.00 pm Today. 7.00 pm News. 8.00 pm Today. 9.00 pm News. 10.00 pm Today. 11.00 pm News. 11.30 pm Today.
RADIO 2
9.00 am News Summary. 9.02 Tom Edwards (S). 9.20 Saturday Night. 9.30 Kevin Morrison (S). 10.00 am News. 10.02 Tom Edwards (S). 10.20 Saturday Night. 10.30 Kevin Morrison (S). 10.50 am News. 11.00 Tom Edwards (S). 11.20 Saturday Night. 11.30 Kevin Morrison (S). 11.50 am News. 12.00 Tom Edwards (S). 12.20 Saturday Night. 12.30 Kevin Morrison (S). 12.50 am News. 1.00 Tom Edwards (S). 1.20 Saturday Night. 1.30 Kevin Morrison (S). 1.50 am News. 2.00 Tom Edwards (S). 2.20 Saturday Night. 2.30 Kevin Morrison (S). 2.50 am News. 3.00 Tom Edwards (S). 3.20 Saturday Night. 3.30 Kevin Morrison (S). 3.50 am News. 4.00 Tom Edwards (S). 4.20 Saturday Night. 4.30 Kevin Morrison (S). 4.50 am News. 5.00 Tom Edwards (S). 5.20 Saturday Night. 5.30 Kevin Morrison (S). 5.50 am News. 6.00 Tom Edwards (S). 6.20 Saturday Night. 6.30 Kevin Morrison (S). 6.50 am News. 7.00 Tom Edwards (S). 7.20 Saturday Night. 7.30 Kevin Morrison (S). 7.50 am News. 8.00 Tom Edwards (S). 8.20 Saturday Night. 8.30 Kevin Morrison 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The sooner the better

HISTORICAL PARALLELS can be illuminating, but also misleading. History rarely repeats itself exactly, and present events are not just a replay of 1974-75, when Mr. Heath was defeated by the miners and wage increases soared to over 30 per cent. The pay escalation of the mid-1970s came after a sharp depreciation of sterling and an explosive increase in the money supply. It was further aggravated by threshold agreements offered in the autumn of 1974 in the false expectation that inflation would be only 7 per cent, an expectation blown sky high by the combination of a five-fold increase in the price of oil and a weak pound.

Settlement

Politically there are some parallels with 1951, when Mr. Bevan and Sir Harold Wilson resigned from the Attlee Government on health service charges and defence spending. From then on a death wish seemed to come over the post-war Labour Government, which was eventually defeated in an election near the end of that year. But this should not be pushed too far. Mr. Callaghan's powers of resilience should never be underestimated, and it may be more profitable to concentrate on the economic parallels, which are with 1972.

That year was marked by a large wage settlement for miners, less well remembered than that of 1974, but the occasion when the flying pickets first emerged. Unemployment was then high enough to worry the Heath Government and recovery from the previous recession was still at an early stage. The Government, like most outside economic commentators, became alarmed by the miners' victory and a few other headline settlements. Whether that alarm was justified is not clear even in hindsight as so much depends on the precise wage index used. What is clear however is that as the summer advanced expectations grew of a wage clampdown following the Chequers talks with union leaders. By then there really was an acceleration as union leaders rushed to settle while they still could.

Regulation

The present pay explosion marks the end of three and a half years of attempted rigid wage controls. Such controls have built up accumulated resentment, both at the lower end among public service workers who have borne the brunt of the squeeze, and among those with so-called "muscle power," who are seeking to restore relativities which reflect their actual strength. Control of the money supply is not offered, even by its most enthusiastic exponents, as a

short-term method of wage regulation. What it can do is to make sure that pay and price increases do not run away over a period of years. The main way in which monetary restraint works in the private sector in an open economy such as UK's is through its effect on the exchange rate.

In the public sector monetary control is closely related to, although not the same as cash limits on public expenditure. The important point here is not an embattled defence of any particular pay norm, but that it should be made clear that an overrun in wages will be offset by other public sector economies including staff reductions. To the extent that these are not politically possible, increases in taxes and rates are very much a second best, although still preferable to increased borrowing. Increased interest rates to finance that borrowing outside the banking system are a third best, not so much because of inflation but because of their long term effects on investment and employment. They are nevertheless still a lesser evil to financing public sector pay increases through the monetary printing press.

Wage drift

Despite a few well publicised settlements there is a good deal of evidence that average private sector wage settlements have at least until recently not been above 10 per cent. Allowing for wage drift this might have produced an earnings increase of around 13 per cent. But if the impression gets around that 15 per cent is the "going rate" it could become self-fulfilling, even though its effect on earnings would be partially offset by lower drift. A collision between tight monetary exchange rate policies and a wage push of this kind would produce recession and rising unemployment.

The dangers are aggravated by political factors. Mr. Callaghan seems at least to be toying with the idea of going to the country on a platform of statutory pay and price controls, if he does not obtain a convincing "Mark 2 Social Contract" from union leaders. Mrs. Thatcher has hinted that an emergency pay freeze might be less bad than becoming embroiled in another attempt at a long-term incomes policy.

But this kind of discussion from both political sides (not to speak of the Liberals) can only aggravate the wage explosion, as people try to get in before the clampdown. From the point of view of the economy the election cannot come a day too soon; and once Mr. Callaghan has decided on his platform it is difficult to see why Labour's prospects should gain from delay.

THE GOOD citizens of Newcastle today celebrate a British blunder.

Exactly 100 years ago, Sir Joseph Swan, a man from north-east England, demonstrated a working model of his electric lamp to the Newcastle Literary and Philosophical Society. The bulb used an incandescent carbon filament which burned in a vacuum, created by a little vacuum pump. The members—according to the local newspaper—were much impressed.

But Sir Joseph was not of the stuff of which some contemporary north-eastern luminaries are made: he was a slight too modest for his own good. In his view, the bulb was merely a development of earlier attempts, and not worth patenting.

Across the Atlantic, however, so lofty a detachment from commercial realities was known not to turn a buck. Thomas Edison, who is said to have demonstrated his bulb slightly later than Swan, was a lot sharper in getting round to the Patent Office. His British patent was granted in November 1879.

So poor Sir Joseph was beaten in his home market before he had begun. Yet modesty has its own rewards. Sir Joseph was right, his invention really was one link in a chain of innovations, both in the development of the bulb itself and, at least as important, in associated technology which made its creation possible in the first place.

In 1840, William Grove, a member of the Royal Institute, had already made a bulb in which a platinum filament glowed when powered by electricity drawn from a battery. Grove found he could read for some hours by this light but, fearful of going blind—an effect which the Victorians ascribed to diverse causes—he abandoned it and went back to glaring at his oil lamps.

Swan himself tried in the late 1840s and 1850s, as did many others who are probably unknown and unsung. Their attempts could not progress beyond the stage of an interesting novelty for two reasons: Carbon, the material which could give an adequate light, required a vacuum to light up; second, there was no reliable continuous supply of electricity in the 1870s, however, with the advent of the Sprengel vacuum pump and reliable generators, the way was open for more serious endeavours. Hence Swan, Edison, and some others.

Dr. Brian Bowers, deputy keeper of the Science Museum in London, somewhat playfully now put forward by the Newcastle Electric Lamp Centenary Committee. At least four inventors, he says, developed a practical lamp: two Americans and two Englishmen. Besides Swan and Edison, they were Hiram S. Maxim, better known for his machine guns, and St. George Lane-Fox.

Lane-Fox had fiddled about with platinum-iridium filaments, but switched to carbon and

patented a carbon lamp in 1879. (His regional authority should be celebrating him this year, too). It was later sold commercially by the Anglo-American Brush Electric Light Company. Maxim's lamp had a carbonised cardboard filament treated with hydrocarbon vapor and then sealed in an evacuated bulb. The U.S. Electric Lighting Company sold them for some years, but Maxim ungratefully became a British citizen and was later knighted, though whether for services to illumination or extermination is not known.

From this ruck, Edison's British patent—registered on November 10 1879—emerged as the dominant one. (Lane-Fox's was merely for a subtle improvement.) The Edison patent describes a carbon filament in glass from which the air is evacuated; but at the time of application, neither he nor anyone else had solved the problem of making a bulb that would last. The filaments, which were either carbonised paper or cotton, were extremely delicate. They broke, easily and frequently.

Swan came up with the idea of "parchmentised cotton"—that is, cotton treated with sulphuric acid to harden it, and then carbonised. Later, Edison chose bamboo fibres. Both worked.

Swan, recovered from the shock of Edison's arrival on the scene, chose not to let a patent get in his way. He helped to found a company in Newcastle in 1881, and made up for his previous shyness by calling it the Swan's Electric Light Company with a capital of £100,000. But it was undercapitalised: shortly afterwards, it became one of the constituent parts of the London-based Swan United Electric Light Company, with a capital of £1m, in which Swan was very much a minority shareholder. (He was, by now, more interested in chemicals in any case.)

Edison attacked Swan United with all the fury of a monopolist. He began a massive patent action against the London company, and created a great furor. The Electric Review of the day inquired prophetically: "Is this a sham battle preparatory to a merger?"

It was. The Edison and Swan United Electric Light Company was created in 1883. Having ultimately behaved like gentlemen towards each other, they set about wiping everybody else off the map. They fought a number of legal actions on the basis of their joint patent, suing various companies (including Lane-Fox's). Finally their patents were upheld by a majority judgment of the Appeals Court in 1889, giving them a virtual monopoly. The halcyon days didn't last for long. The Edison 14-year patent ran out in 1893, and two years later, the number of electric light companies jumped from seven to 27, while the price of a lamp halved—a graphic indication of the Edison Swan level of profits.

This rapid sectoral growth could be sustained—the market

was beginning to boom (and gas shares were plunging). The first Electric Lighting Act was passed in 1882, and municipal electricity supply schemes were developed slowly in the 1890s, much more rapidly in the 1890s. Outside the cities, the wealthy bought their own generators.

Technology moved, too. Various metals were tried in place of carbon in the late 1890s, and in 1904 tungsten, which has a very high melting point, was chosen as the most promising route for development. Ductile tungsten wire was developed in 1910 by the U.S. General Electric Company, gas (argon and nitrogen) to fill the bulb and reduce the evaporation of the tungsten came in shortly after. By 1934, the coiled coil tungsten lamp was on the market. Further development of the domestic light bulb technology then came to a complete stop.

Innovations to street and commercial lighting are another story. The intriguing thorium filament lamp, for example, was brought into production before the 1914-1918 war. Thorium's resistance to electricity goes down as it heats up, which was a considerable plus. However,

it had a major disadvantage—in cold weather it had to be warmed up before it would light. When it was introduced into the Fulham borough lighting system in London, the lighting engineers had to wrap scarves round the lights on winter evenings.

In the 1930s, mercury and sodium discharge lamps took off as the tungsten coil seemed to have reached the apparent peak of its perfection. In 1940, the fluorescent tube was invented by the UK General Electric Company in association with British Thomson Houston, though the invention was taken over by American companies. The 1960s saw further innovations—notably the tungsten halogen lamp (where the introduction of a special chemical into the gas allows the pressure to be increased, and the filament to be hotter, and therefore brighter) and high pressure discharge lamps, mainly used for street lighting. Development continues in these areas.

The companies which made and sold the lamps have had a parallel history, often directly influenced by the changing technology. Seven major companies were listed in Britain before the 1939-45 war: Osram (GEC),

Mazda, Metropolitan Vickers, Ediswan, Siemens, Crompton Parkinson, and Philips. Now there are four.

The man most responsible for this concentration was Sir Jules Thorn. In 1926, he founded a little lamp company called Atlas, which was in the minor league. The development of the fluorescent tube during the war, however, gave him his chance. Seeing the potential of the tube he concluded an agreement with a U.S. company, Sylvania, and began to mass produce fluorescent tubes in 1946.

In 1950, he took over Ekco, another small manufacturer. By 1964, he was able to absorb AEI Lighting, itself a merger of Mazda, Metropolitan Vickers, Ediswan, and Siemens. Thorn Lighting became the dominant force in the lighting industry—ironically, by seizing on an invention made by its great rival, GEC. The other three bulb manufacturers in Britain—smaller in lighting but bigger as companies—remain GEC, Philips and Crompton Parkinson, now a subsidiary of Hawker Siddeley.

Last year, the industry celebrated the last year of its first

century by having a row. The major cause of it was a Scots postgraduate student named Mr. David Meiklejohn, who alleged that the manufacturers deliberately designed their lamps to have a limited life so that their profits might increase. Mr. Meiklejohn, if bold, was not original—such allegations are as old as the industry, and have a certain appeal. The concept of planned obsolescence is, like many conspiracy theories, attractive to a public which feels it is constantly paying more for less quality.

Thus, in 1978, the House of Commons Select Committee on Science and Technology bent its endeavours to discovering whether or not the lamp companies had been fooling all of the people all of the time. Its report was judicious.

On the one hand: "We cannot see any reason why the more widespread introduction of 2,000-hour coiled coil bulbs (the standard is 1,000 hours) which are at present only offered by one manufacturer (Thorn Lighting), should cause any great difficulties. . . . The user would benefit by having to change bulbs less frequently and would be no worse off in terms of light (with a 2,000-hour coiled coil bulb than he would be with 1,000-hour single coil bulbs. We think the industry should be constantly on the alert to improve its marketing approach, particularly as regards the domestic consumer."

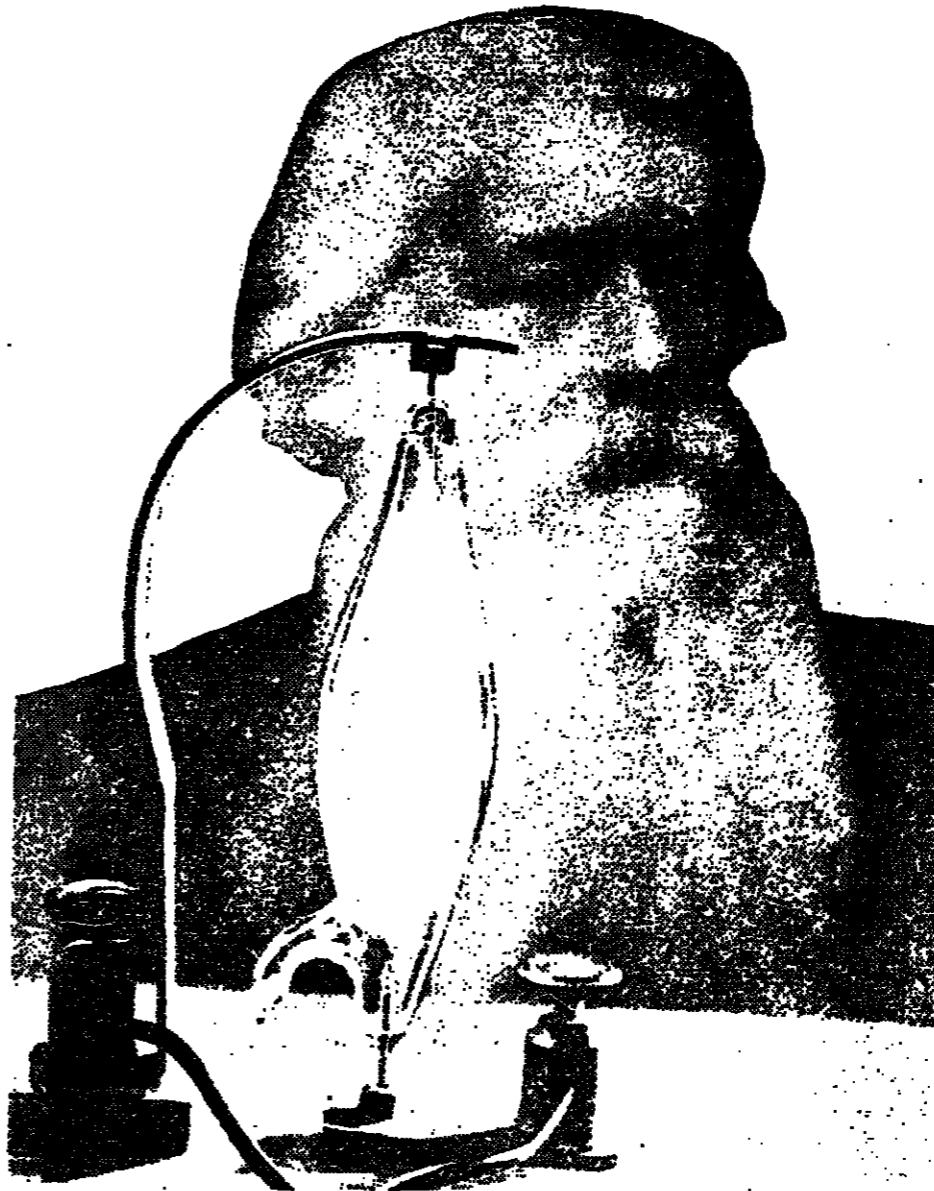
On the other: "We can find no evidence to support the contention that UK lamp manufacturers are colluding in order to keep lamp quality unreasonably low. . . . We reject substantially all the criticisms of the performance and the durability of electric lamps manufactured by the UK lighting industry." In short—not guilty, but do better in future.

Thus, the men in this industry can celebrate their anniversary with a conscience officially pronounced clear. They may, if they wish, examine their origins, attend the opening today of the exhibition "Joseph Swan—his life and work" by Mr. James Burke of the BBC at the Laing Art Gallery, Newcastle. But it should be revealed that the exhibition is not simply the innocent commemoration of merit rewarded that it purports to be. Professor Peter Kirby, of Newcastle University, the chairman of the Centenary committee, admitted the deeper purpose.

"I hope that people will get the message that invention is important. As far as the North East is concerned, we want to show that we have been inventive, and we can be again. The North East, of course, needs jobs. Like most regions, it is bidding hard for investment by electronics companies. Towards the end of last year it announced, with some flourish, that a microelectronics research centre was shortly to be opened at Newcastle University. A new story may have begun."

A century of electric light

BY JOHN LLOYD



Joseph Swan and a replica of the electric lamp he demonstrated in Newcastle on February 3, 1879.

Letters to the Editor

Directors

From Mr. R. Carr

Sir—Discussion on worker directors appears usually to exclude the very crux of the matter: that employers, like their customers, pay only for what they want or judge necessary, or for the nearest available substitute for their will to be done. Hercules labours are not worth a penny to those who have no need of them, and payment is not due in principle to self-directed workers.

Moreover employers buy or rent accommodation and equipment to serve their own or their customers' objectives. Should this accommodation and equipment be devoted instead to employee objectives, then upon the employees in plain justice rests the onus of purchase or rent payment.

Worker directors, therefore, as opposed to worker suggestions, make sense as a step towards unpaid, rent-paying, investing worker-entrepreneurs with the right to sell their product or service if they can, and perhaps to persuade their erstwhile employer to sell it for them, if he will. The risk that it will not sell, and that nothing will be received for all their pains, falls fairly enough on those controlling the enterprise, as it always did—only that means on the workers, whereas hitherto investors were the losers.

It is reasonable, in the present climate of industrial relations, to expect anybody however foolhardy to underwrite, at personal expense, the performance of people over whom he has no control and in whose self-directed competence, reliability and good-will he cannot repose confidence?

To appoint one or two directors as a token of friendship is conceivable. Nationally to provide for control by workers without proof of exceptional ability and integrity is to court disaster; to do so without adequate compensation in the event of disaster would be yet another gross injustice to those whose

services had been misappropriated and lost.

R. T. Carr,
Dorset,
Wellington Avenue,
Virginia Water, Surrey.

Utopia

From Mr. G. McKeeman

Sir—Marx's theory of surplus value may be a sieve full of holes but it provides the Marxists with a useful myth worthy of a preservation order. It is a constant reminder of the parasitic nature of capitalism.

According to Marx the value of anything is the labour embodied in it. Labour is entitled to receive the full value of what it creates but does not because the capitalist creams off surplus-value. Come the revolution however justice will be done when the expropriators and retrieve the stolen surplus value. This appears to be the greatest myth of all, for when the capitalist geese have ceased laying their golden eggs, some source other than profit must be found for keeping capital intact, providing for net investment and securing adequate remuneration for the new bureaucracy.

State industry is an unlikely candidate as a substitute for the capitalist. Its peculiar genius lies in the achievement of deficit value. No come the revolution the new worker expropriators will have to exploit themselves. They will have helpful precedents to study: previous post-revolutionary belt-tightening operations designed to secure economic growth.

The following measures to assist in the expropriation by labour of labour might be appropriate: Achieve a perfect liaison between the TUC and the Government by a take-over (by the TUC). Merge all existing unions into a single state union. All existing union general secretaries to form the Cabinet and all such posts to become hereditary. Outlaw the strike as an anti-social device. Abolish all trade union legislation since

1825, retaining the right to picket factories to ensure the performance of a full working day. Increase average working week to fifty hours. Fix maximum wages. The working overtime to be a privilege and a reward in itself.

Geoffrey McKeeman,
18, Steeles Road, NW3

Airtorts

From the Senior Vice President Kurt Salton Associates

Sir—I am reluctant to expand the correspondence about the forced move of airlines serving Spain and Portugal from Heathrow to Gatwick, but I am moved to do so by Mr. Kenrick's letter of January 23.

The reason for this highly disruptive move is due to the continuous lack of consumer orientation in the planning of our airports in this country, which is obvious to anyone who has the misfortune, as I do, to regard Heathrow as his second home. Those of us who regularly travel to the Continent on business choose to live in a part of the Home Counties near to Heathrow and this aspect has been totally ignored in putting the Iberian services at Gatwick. Mr. Kenrick's suggestion that all inter-European flights should use Gatwick would no doubt force the majority of European business travellers to move their homes or give up their businesses.

Far from being a "best solution" such a move would be even further removed from the right approach, which is to develop two, and eventually three, London airports as a city. The size of London certainly requires, with services to major destinations being developed from each in accordance with commercial demand and consumer needs. We have an airport system where it can take several days to clear two inches of snow, where discomfort and industrial disputes are the norm, and for which the strategic decisions regarding development of capacity at Heathrow, at Gatwick and at any third location have become a political football.

Mr. Kenrick's parallel with New York is correct in terms of long-haul flights going from one airport, but what he omits to mention is that to many destinations within America there is a choice of flight from two, if not three. New York's airports for the convenience of the passenger, according to where in the area he lives. Stuart D. Hollander,
119-120 High Street, Eton,
Windsor, Berks.

Independent

From Sir Derek Rayner

Sir—As one of the independent members of the Civil Service Pay Research Unit Board, I should like to thank Mr. Laybourn (January 16) and Mr. Furse (January 22) for their advice on how to discharge my responsibilities.

In response to Mr. Furse's question as to our qualifications for this appointment and our present employment, I shall leave my other colleagues, who are independent members of the Pay Research Unit Board, to reply to Mr. Furse as they think appropriate. For myself I have been a joint managing director of Marks and Spencer since 1973. Additionally, and for nearly three years (1970-72), I was in full-time leave of absence from my company first to advise the Heath Government on the reorganisation of the procurement of defence equipment and, subsequently for two years, to become the chief executive of the organisation I proposed. For details of the recommendations for that reorganisation, see White Paper Cmd. 4641 but, in brief it abolished the Ministry of Aviation Supply, and brought together the Navy, Army and RAF defence equipment procurement into one organisation within the Ministry of Defence.

An additional qualification for membership of the Pay Research Unit Board is, of course, a willingness to undertake—unpaid—a job which occupies a great deal of time, particularly at weekends, reading the very

substantial evidence collected by the Pay Research Unit, and to make myself available to those who wish to give advice. For example, last week some members of the CBI visited me. (Sir) Derek Rayner,
Michael House,
Baker Street, W1.

Wealth

From Mr. E. Gurney

Sir—The letter from the chairman of the Sound Money League and Tax Payers' Association (January 26) refers to inflation as a means of taxation. It is, of course, just that and is the result of deliberate Government policy, invariably that of a weak Government. Inflation is nothing at all to do with the demands made by the working population and I am sure the Chancellor, an intelligent man if nothing else, is not so stupid as to believe his utterances himself.

The issue is the confusion of "money" with "wealth" and one of the most significant vehicles for facilitating this confusion is the National Loans Act 1963 which enables the Treasury to "raise money in such manner and on such terms as (it) thinks fit." The shortfall of revenue by taxation is, therefore, covered by the Government "borrowing requirement"—unfortunately the banks regard Treasury bills as "money in the till."

Let us suppose, as they do, that the banks supply finance to a leasing subsidiary. The same money is then spent once more and, furthermore, the lessee will get tax allowance on his rentals and the lessor—surprise, surprise—tax allowance on his capital expenditure. To compound the problem, the equipment or vehicles bought will probably be of foreign manufacture! The whole affair smacks of "Alice in Wonderland" and the only significance of organised labour in the equation is the pressure which can be brought to bear by unions in key sectors of the economy in order to take a larger share of

the progressively reducing "wealth cake," which inevitably gets more and more out of line with "money." The legislation, administration mechanism, and financial institutions which make this sleight of hand possible are extremely complex but the principle is no more profound than that expounded by Mr. Micawber. E. R. Gurney and Partners,
30, Milson Street, Bath.

Rebates

From Mr. G. Macdonald

Sir—I am often annoyed at the way many strikers are able to obtain tax rebates from their employers. It seems that the employers have to subsidise the strike action taken against them. Many employers think so, too—but they are wrong. There is no obligation on an employer to pay tax rebate either to strikers, or to those who are laid off as a result of a strike, in their company.

It might be helpful for employers to know the following details. They are contained in Regulation 24 of the Income Tax (Employments) Regulations of 1973. If people go on strike or are laid off as the result of a strike on a company site, the company should notify the Inspector of Taxes of those employees striking or laid off. This notice should advise the Inspector of Taxes that the company does not intend to make a tax repayment. This notice should be sent by the first usual pay day after the strike or lay-off begins, then, after the strike or lay-off, the Tax Inspector should have a notice giving the dates of commencement of employment for all individual strikers or those laid off as a result of the strike action.

If more employers would follow this practice the striker would have to wait until at least the end of the tax year before recovery of rebate and this might involve a wait of several months beyond the next April. George Macdonald,
17, Copperas Lane,
Denton Square,
Newcastle-upon-Tyne.

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Controversy about oil prospecting in a Cotswold beauty spot.

By Anthony Moreton, Regional Affairs Editor

More power to Guiting Power

ON THE public notice board of the Gloucestershire village of Guiting Power, population 400, there is a notice which says: Don't let your dog put a dirty mark on Britain.

The plea may be addressed specifically to the village's dog owners. But the implications about how to keep this scenic hamlet clean and tidy have in the past few months reached out to a much wider audience, for industry is about to come to Guiting Power, and the village is deeply divided over whether it wants it.

Guiting Power is one of the beauty spots of England. It can stand comparison with Corfe Castle in Dorset, or Hawkeshead in Cumberland, or Easton in Derbyshire. Unlike most other beauty spots, there has been no attempt to taint it up. To begin with, it has its priorities right — just two shops, a post office and two pubs. The pubs are not the sort of places to which people drive miles just to be seen with their dogs, and the shops still sell goods from behind counters.

New people

Because the village has maintained its character, it has inevitably attracted new people, some to retire in rural seclusion, some to commute to work in Cheltenham or Evesham. Many of them do not like the fact that Consolidated Oil and Gas (UK) has applied to drill a borehole in a corner of a field called Big Drift, just half a mile from the centre of the village. At the heart of their opposition is the argument which is common to many other parts of Britain: how far should industrialisation creep into the countryside?

On Thursday morning a group of officials from the Cotswolds District Council trudged across the fields in the rain to look at the spot where Consolidated wants to drill. They are almost

certain to give the company the go-ahead.

A direct parallel can be made between Guiting Power and the Isle of Purbeck in Dorset, just a couple of miles from Corfe Castle itself, where Gas Council (Exploration) last year found oil on a sizeable scale. Some years ago RIZ was widely criticised for undertaking exploratory work at Coed y Brenin in the Snowdonia national park and the South of Scotland Hydro-Electricity Board was not exactly welcoming with open arms when it searched for uranium in Orkney, though Consolidated Goldfields was more kindly received by the people of the Grampian region.

That Guiting Power is in such fine shape is very much due to the work of one man, Mr. Raymond Cochrane, the Lord of the Manor. Mr. Cochrane owns half of the village's 115 houses and some 1,100 acres of the surrounding land. When he arrived in 1958 some 18 of his houses had been condemned as unfit to live in. He formed an amenity trust to protect his properties and later put the land into the trust in 1974. To some of the villagers it is therefore all the more surprising that he is in favour of the proposal to prospect for oil.

Not all of the villagers back him. A parish meeting just before Christmas opposed Consolidated Oil's plan by 24 votes to 15. Since there are 271 on the electoral roll this may not indicate very active public interest. But the inevitable happened: around 80 (including a couple of outsiders) were in the hall for the start, though, by the time the vote was taken at 10.15 more than half of them, either impressed by the quality of the speeches or—more likely—by the hardness of the seats, had left.

Mr. Cochrane talks of "agitators and outsiders"; there may

have been a few of the latter but what the world considers to be "agitators" were certainly not Guiting Power that night. To be fair, Mr. Cochrane has tried successfully to keep a balance in the village between people who see it as a haven of peace and quiet, especially to retire to, and a place where people may work as well as live. "We are trying to keep one Cotswold village where local people can live," he says. Of the 42 owner-occupied houses in the trust, 18 are occupied by locals, an encouraging figure since rural depopulation is as worrying in Gloucestershire as in mid-Wales or the Scottish Highlands.

Jobs for locals

If the concept of providing homes for locals is to be carried to its logical conclusion, then work must be found for them, too—not just driving a van, but something that offers the possibility of expansion.

The opposition, however, is on strong ground when it points out that any oil or gas found in Guiting Power will produce no economic benefit for the village. If the prospecting is successful any oil will either be taken out by large bowlers or pumped by underground pipe to a railroad six miles away.

All the locals will get is the noise and nuisance as 20-ton lorries pound along the narrow lanes and round the sharp bends. This is the land of the B road, not the motorway, and there will be mishaps as the industrial giants mount the verges to allow other cars or herds of cattle to pass.

Consolidated Oil is aware of these seemingly parochial conflicts, even though it operates from headquarters in Calgary, some 7,000 miles away in the heart of Canada's wheat belt where narrow lanes and sharp bends are as common as the

rainbow. It has already undertaken other prospecting in Britain, notably in Highworth, just outside Swindon, and at Sherbourne, in Oxfordshire, a few miles away from Guiting Power. It has a reputation as a considerate firm.

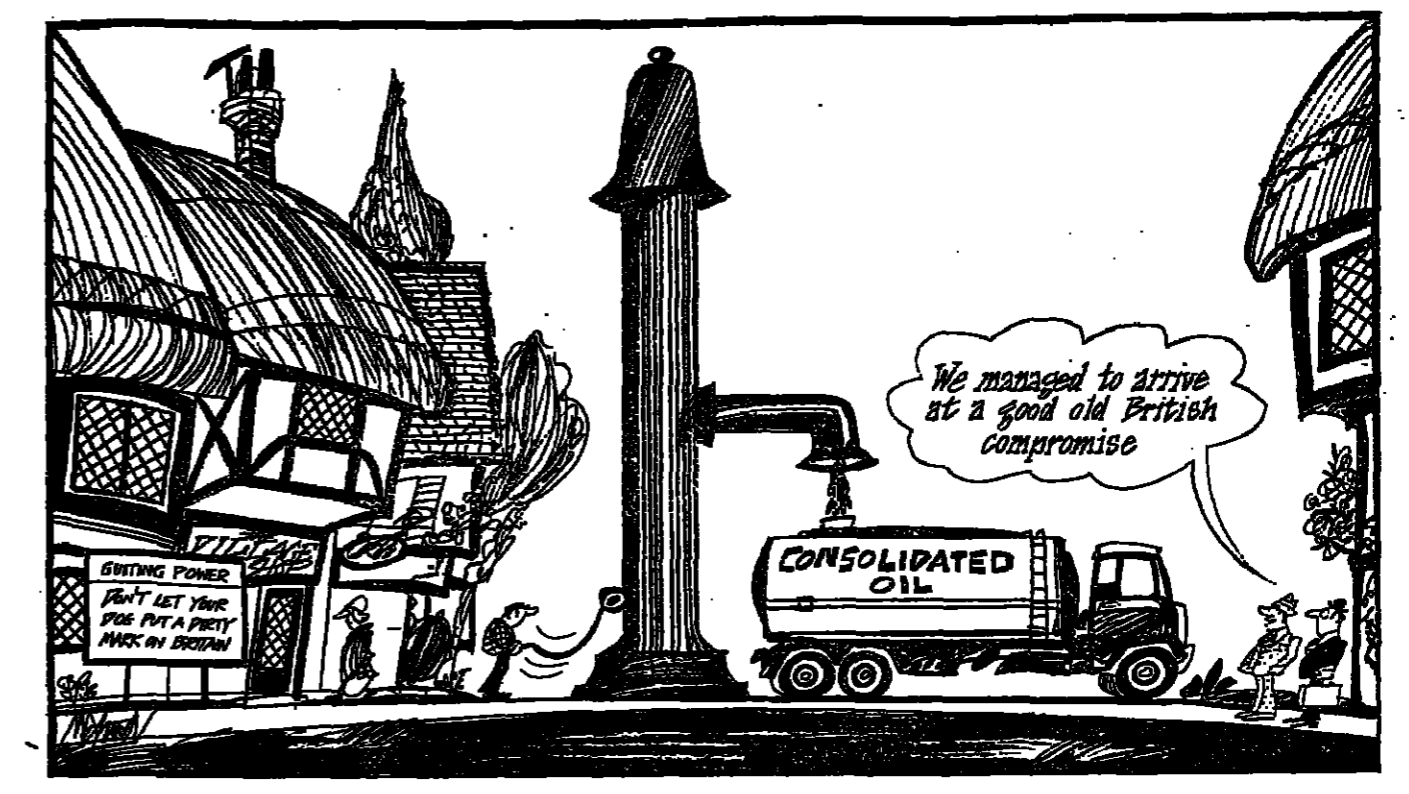
It is the operator for a consortium in which it has a 25 per cent stake. Shell a half share and Teck Corporation, a Canadian oil and mining concern, the rest.

The consortium has all the rights on its side. Under the Petroleum Production Act of 1934 all oil and gas under land was in effect nationalised. The owner of the land is entitled to no royalties from any oil found though he may negotiate a payment for such things as widening gates, improving roads and replacing hedges. All the revenues from the oil go to the exploration company with the state taking its share in royalties and tax.

In this, the owner of the land is in a very different position from someone on whose property coal is found. A similar coal Act in 1938 put 286m into a kitty to be shared among coal owners, since that amount has long since been exhausted, it is not altogether clear what responsibility the National Coal Board would feel if it came across a big find during its explorations.

A very large hunt for oil is now going ahead on the mainland of Britain, stimulated to a considerable extent by the discoveries in the North Sea. On shore oil prospecting has one very big advantage over that taking place out at sea—that of cost.

Gas Council (Exploration)—a subsidiary of British Gas—operating on behalf of itself and British Petroleum, made the first big on-shore discovery in the last days of 1977 when it found oil in sizeable quantities



at Wyth Farm, on the Isle of Purbeck.

The Wyth Farm field is believed to be equal in size to a medium-sized North Sea field, probably bigger than Argyll and about the size of Auk. But whereas an offshore field costs about £500m to develop, Wyth Farm will probably not set GCE back by more than £10m.

GCE went to great lengths to protect the countryside, which contained the Dartford Warbler, a rare bird, some vanishing heathland and some rare crickets and grasshoppers. Consolidated Oil is just as aware of the needs of conserving the countryside and is unlikely to act differently to GCE.

But there is no escaping the fact that when industry—intrudes into the countryside the countryside suffers. Sometimes those effects can be minimised. The National Coal Board creates a landscape rather like the surface of the moon with its open cast operations but it also restores the land splendidly afterwards. The way the Wyth Farm field has been developed is a very good example of social awareness.

But it is not always easy to combine this with commercial prudence. The roads around St. Austell are covered in china clay dust, the steelworks at Port Talbot belt out a filthy

orange smoke and the smell from many chemical works is equalled only by that from a sewage farm.

There is another argument: there is already some industrialisation on Guiting Power's doorstep, so why cavil at a little more? The industry is, in fact, a quarry and quarries (which do the area) cause a lot more noise and scar the countryside far more deeply than any oil field will.

On the same notice board in the village as that warning the dogs (via their owners) there was an application from the BBC to erect a relay mast 98.5 ft high: another manifestation of

industrialisation and a despoiler of the village. But few people made a fuss about this.

Even if oil comes to Guiting Power, the village's inhabitants are unlikely to abandon all resistance to any further industrial inroads, even though they are not sure what form future resistance should be. Like similar communities elsewhere watching the countryside vanish at an unacceptably fast rate, Guiting Power has no desire to see Britain suffer the same fate as Japan where it is now virtually impossible to find a quiet rural retreat within reach of any of the major cities.

Weekend Brief

New reels

WHILE the rest of British industry is reeling under the blows of economic unrest, filmmaking, the one sector which usually plays Cinderella to everyone else's Prince Charming, is having something of a promising start. The British film industry has had a quite remarkable first few weeks of 1979. Lord (Lew) Grade's unveiling of Black Lion Films, which will make material aimed at the British TV and cinema screens, comes after the setting up of Southern Pictures, with which Southern Television hopes to break into the international film business. It also coincides with indications that Grade has at last found a box office blockbuster with Capricorn One and that brother Lord (Bernard) Deلفت is about to change EMI fortunes with Deer Hunter, a film which shows promise of being Britain's first box office rival to Star Wars and Jaws.

If only half of the promise turns out to be fact then the film business is in for one of its best years since the mid-1960s. Unfortunately there are a few grey clouds. Trident-Barber's excursions into filmmaking had an inauspicious start with the Four Feathers and does not seem to have improved with Somebody Killed Her Husband, in spite of the presence of the delightful Farah Fawcett Majors.

Grade's man in day-to-day charge of Black Lion is Charles Denton, who reckons that even now the pressure on British film

capacity is such that getting post-production facilities, such as cutting and editing, at short notice is extremely difficult.

Black Lion will operate separately from Grade's ITC, which will continue with its international emphasis. Artistically, you may not approve of the Porridge film (from the TV series) as a first effort for Black Lion, but at least it is work for the British studios. Incidentally, according to Grade himself, the BBC does not get a penny from the Porridge film rights, thanks to the author's retention of such ancillary privileges.

EMI seems to be in an agonisingly delightful position in that it does not know whether or not to boast about Deer Hunter. It ran for one brief week in the U.S. last year in order to qualify for Oscar nominations and reopens later this month. Soon afterwards it has its London first night. The critics who have seen it reckon it to be the best thing for many years, although this does not necessarily mean that money will pour in on a Gone with the Wind scale—but it might. A hit film can easily put £50m cash into the coffers of the generating company in one year. Thus the nail-biting in Manchester Square (EMI's headquarters) at the moment.

Hard times

MEANWHILE the BBC has its own problems with its much vaunted Shakespeare series. Although the domestic market was offered the £7m series with much fanfare, little mention was made of the fact that some £1.75m of the seed money was coming from American sponsors. With any luck this long term project will be to some extent self-financing if not self-liquidating. Overseas sales should help to produce some of the money needed to finance the later parts of the series. British shyness about discussing

such ugly things as money and sponsors is not shared in the U.S. where Exxon (Esso), Metropolitan Life Insurance and Morgan Guaranty have been happy to talk about their show and the amount of cash they have put into it.

In America, the sponsor, and the BBC's U.S. partners, Time-Life, have made great play of selling the series for educational use.

An educational programme has been produced with Teled Inc. and Stone Associates of Los Angeles which will send more than 27,000 secondary schools across the country an extensive package of audio-visual materials designed to coordinate class room assignments with TV performances. At the university and two year college level the University of California has prepared a course of study (funded by the National Endowment for the Humanities) to accompany the Shakespeare series and will distribute it to more than 300 universities and colleges.

So far there is little indication that the British Ministry of Education is willing to capitalise on this British product in anything like such a spectacular way.

Apart from TV and the universities American National Public Radio plans to present a series of radio broadcasts to go along with the TV plays. Radio stations from coast to coast will broadcast as a "Shakespeare Festival" a biographical series and documentaries on the life and times of the author.

Meanwhile, of course, the BBC is still knee-deep in its arguments over who is going to play Othello in the series. Until now the Corporation has always insisted that when it involves itself in sponsored shows and co-productions it never allows the nasty foreigners to involve themselves in programme content. Now it has emerged that the Americans are simply not going to tolerate a blacked-up British white man as Othello when there are around such eminent American black actors as James Earl Jones, arguably the best Othello in the world at the moment. British Equity says it will not allow an American on the set in this part. Thus we have a trans-Atlantic impasse. Othello, needless to say, has been put off. Mr. Jones, meanwhile, waits in the wings.

Milky way

The British can thank the milk bottle for the fact that they are the only people in the EEC to have milk delivered to their homes seven days a week. That it is left on the front doorstep, the back step, on the coal bunker or even in a specially angled hole in the front garden is thanks to the goodwill and remarkable memory of the average milkman.

It was 4.30 am when we, the milkman and I, set out to plough a furrow through the thickening snow while striking railwaymen, lorry drivers, school caretakers and ambulance drivers slumbered late into the morning. In the pitch dark, with not even a glimmer from a rogue street lamp, we arrived at the garage where the electric milk floats are left on charge overnight.

The journey from there to the dairy, two miles away, to load up with crates is painfully slow and very cold: a milk float has no heater and its sliding doors

are prone to slide open all too well.

But at the dairy, all is light and bustle, with a bevy of boys, aged between 10 and 12, hanging around hoping to get taken on to floats as temporary helpers, for 50p a morning, before being dropped off just before 9 o'clock at the points nearest their schools.

Milk, lemonade, sausages, bread, eggs and potatoes—all are counted and loaded on to the float. And we set out on the round, again painfully slowly.

Milkmen are very fit men, running everywhere and, if no one is looking, leaping fences. It all helps to keep the cold out. Otherwise, on a freezing winter morning, shining torches to distinguish the gold top from the silver and the lemonade from the orangeade, the chill would be intense.

Carefully washed tin cans left out by the householder are equally carefully placed upside down over the bottle tops, notes in bottles (or little wooden cupboards) are read by torchlight and the instructions followed, special signals are observed—a light left on here means leave a pint; no light means no milk.

The notes can be a nuisance: too often a changed order means a double journey to the same house which could have been avoided had 24 hours' notice of today's requirements been given.

A bottle is broken: its top and a fragment of the glass are carefully rescued to be taken back to the dairy and produced in order to settle the accounts.

Dawn begins to break and a small boy appears, sent out to find the milkman and get a packet of cornflakes for breakfast. Taking the family's three pints tucked in his arms, too, he struggles back through the snow and into the warmth.

With the dawn comes a fine, freezing rain, penetrating several layers of clothes and making it almost impossible to lift the bottles out of the crates, let alone carry six or eight empties back at a time, suspended from our hands like cows' udders.

For the milkman, who has never stopped once for a hot drink from the vacuum flask his helper has brought along, it has been a normal morning. And the extra, though inexperienced, help has cut the time needed to do the seven-day week round this morning by an hour.

Back at the dairy, Mr. Ronald Angel, Home Counties Regional Dairy Manager with Co-operative Retail Services, is supervising the repair of a conveyor belt. It should be carrying washed bottles around to be filled; instead the cold has affected it, too, and something has cracked. But the plastic cartons, stacked ready for shipment to local Co-op supermarkets where they will sell for 1p or 1½p more than the pints left on customers' doorsteps, are unaffected by the hold-up.

The cartons cost 1.68p each, but can be used only once; the milk bottle costs 5.4p, but makes an average of 50 trips. And electric floats, slow though they are, are far-and-away the cheapest form of transport for the job, providing a service unexcelled probably anywhere.

Contributors:
Arthur Sandles,
Caroline Hyde,
Patti Reali
and Pat Walker.

Economic Diary

TODAY—Prime Minister is opening speaker at two-day Labour Party Local Government Conference, City Hall, Newcastle.

SUNDAY—Mr. David Ennals, Secretary for Social Services, main speaker on second day of Labour Party Local Government Conference, Newcastle.

MONDAY—Mr. Gordon Richardson, Governor of the Bank of England, and Mr. Jacques de Larosiere, managing director of the International Monetary Fund, are principal speakers at Overseas Bankers Club banquet, Guildhall, London. Trades Union Congress economic committee meets Ministers, Congress House,

London. EEC Agriculture Ministers open two-day meeting in Brussels. Provisional January figures for wholesale prices. Statement by House Builders Federation on house-building prospects. Hire purchase and other instalment credit business (December).

TUESDAY—House of Commons debates disruption of education services. EEC Foreign Ministers meet in Brussels. Meeting of National Union of Mineworkers and National Coal Board negotiators. London clearing banks'

monthly statement (mid-January).

WEDNESDAY—Prime Minister is chairman of National Economic Development Council monthly meeting to discuss industrial strategy. Special meeting of TUC general council, Congress House, London. Dr. David Owen, Foreign Secretary, speaks at Foreign Press Association luncheon, Savoy Hotel, London. International Monetary Fund auction 470,000 ounces of gold, Washington.

THURSDAY—Full meeting of

NUM executive on pay. Crown Agents Bill second reading in Commons. Meeting of Confederation of Shipbuilding and Engineering Workers, Imperial Hotel, London. Sir John Melville, director general of Confederation of British Industry, at British Industrial Measuring and Control Apparatus Manufacturers' Association luncheon, Cafe Royal, London. Provisional figures of vehicle production (January).

FRIDAY—Central Government financial transactions (including borrowing requirement) (January).



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Americans are also feeling the energy crunch and turning back their thermostats. To help ward off the patriotic chill is an item called by the manufacturer the Snug-Sack. It is a quilted comforter resembling a sleeping bag with arms. Handy if staying in one place to read or watch television this item retails at between \$20-40.

The Snug-Sack was so popular this season that the original manufacturer Heritage House is putting \$1.5m into expanding its North Carolina plant. Heritage alone shipped 1.1m pieces this year and the industry projects 4-5m pieces to be sold by the end of the season, according to the trade publication, Home Furnishings Daily. Among the other interesting products out on the market in the same vein is a Game Bag—a quilted bag to be worn at outdoor sporting events and the Snug-Suit, a Snug-Sack with legs for people with chilly homes and a desire to roam.

UK COMPANY NEWS

Companies and Markets

Hirst & Mallinson 35% growth in mixed year

WITH SECOND-HALF profits advancing from £113,400 to £293,000 Hirst and Mallinson has made up the ground lost in the first six months and the pre-tax figure for the year ended October 28, 1978, emerges 35 per cent ahead at £445,100.

When reporting on the first half the directors said they were looking to a second-half recovery and forecast a full year's result better than that of 1978.

While profits have risen the year has been one of mixed fortunes for the group. Products and services gained greater acceptance in the UK and new export markets were developed. However there were temporary problems in the West African markets and the group was affected by the current uncertainties in the Middle East. Also the group is being increasingly affected by the price war in the pharmaceutical distribution industry, states Mr. M. D. Crompton, the chairman.

Because of changes in the market place on the small sector of the business has been closed and this has caused an extraordinary item of £73,000. Some ground has been made in the removals field but the market for overseas removals has not yet improved.

Overall, however, the chairman considers that the group has made reasonable progress and he believes the group's position has been further strengthened. This is reflected in the balance sheet where shareholders' funds now represent some 80p per share, and net borrowings have been reduced.

Earnings per share are stated to be up from 8.4p to 11.0p. The dividend is raised to 1.25p, from 1.0p, with a final of 1.0p to 2.0p, with a final of 1.0p.

Turnover	15,616,100	14,507,700
Profit before tax	445,100	330,100
Taxation	(120,000)	(100,000)
Net profit	325,100	230,100
Extraord. costs	(72,800)	(72,800)
Profit	252,300	157,300

The interests of the group

cover catering equipment distribution, silverware, international removals, pharmaceuticals and textiles.

comment

Hirst and Mallinson's second half recovery is much in line with market predictions, and full-year profits show an increase of 35 per cent. The company does not give a breakdown but clearly the textiles division, coming up from a low base, has played an important part, in spite of continuing competition from cheaper imports; margins on sales of woollen cloth are slightly better, mainly due to a fashion swingback to natural fibres. Elsewhere, the pattern is mixed. In the distribution division, the pharmaceutical side is having to contend with the current price war while catering equipment, although showing some progress, has its export problems. Overseas removals business is also being affected by the drop in emigration from the U.K. Meanwhile, the prospects for the current year are overshadowed by the current industrial troubles. At 38p the main support is the 8 per cent yield, while the p/e is 3.4.

CMT holds up 'quite well'

THE RECENT spate of national strikes had been weathered quite well by Central Manufacturing and Trading, the chairman Mr. N. A. McKinnon, told the general meeting.

But he warned that this production could never be retrieved and the lower productivity of customers the less services they were likely to receive from a company like CMT. The next six months, therefore, will not be

easy." To date, the industrial services, steel stockholding and metal processing divisions had shown considerable increases in sales compared with the corresponding period last year.

The tubes, fittings and forgings division and the light engineering division were continuing to compete vigorously in a generally slack market.

Brigay near break even

RECOVERY to near breakeven operation was achieved by Brigay Group in the first half of 1978-79 following 12 months in which the company had fallen from £174,000 taxable profit to £233,000 loss. For the half year to October 18, 1978, the loss was £1,000 against £46,000.

Mr. T. G. Wynne, the chairman, said yesterday that discussions on a possible takeover approach, first reported in December, were continuing and he expected that a further announcement would be made within the next 14 days.

As to prospects for the rest of the year, he pointed out that though the second half is not usually as profitable as the first the group will be able to take advantage of the significant reduction in overheads from the sale of the freehold at Newman Street, London, which realised some £275m.

Sales by the clothing and jersey fabrics manufacturer were £13.1m better at £12.5m for the six months. Again no tax is payable.

The loss per 5p share is stated at 0.01p (0.6p) and there is no interim dividend. The next payment was a 0.06p final for 1978-79 when profit was £102,000.



Lord Kissin, chairman of Guinness Peat.

Interim profit fall at Guinness Peat

GROUP PROFITS to date of the Guinness Peat Group are lower than those of the comparable period of last year, the directors state in their interim report.

The group is trading profitably and actively in all divisions but difficult conditions have been encountered in certain areas. They say that at this stage they cannot make an accurate forecast of the outcome of the current year.

Factors relevant to the group's position are the industrial disturbances which affect all activities concerned with the movement and distribution of goods and commodities within the UK or through the ports, and the consequential higher cost of finance.

The directors point out that adjustments will also have to be made for the indigenisation of the Nigerian subsidiaries, which may have taken place by the end of the year, and the possible liquidation of the group's residual interests in Iran.

There are a number of major new developments in overseas territories which are nearing completion, but the date when the contracts for these will be signed and exactly what impact they will have on this year's profits, is not yet clear.

The directors say that the outlook for the future of the group remains encouraging. An interim dividend of 2.5p is declared (costing £1.7m) and they expect to recommend the maximum final dividend permitted of 3.42p which would effectively raise the total to 5.125p to 5.87p. Group pre-tax profit in 1977-78 was £11.07m.

Hardy cuts first-half losses to £240,000

FIRST-HALF losses before tax of Hardy and Co. (Furnishers) were reduced from £864,000 to £240,000. And the Board says although there is much still to be done they are confident the steady climb back to profitability will continue.

For the whole of last year the group incurred a pre-tax loss of £780,000, against a profit of £113,000.

In the 26 weeks to October 14, 1978, turnover rose from £13.99m to £19.25m. The pre-tax figure for the period also improved, with a profit on property disposals of £367,000 (£284,000). After tax credits of £170,000, against £472,000, the net loss is reduced from £622,000 to £70,000.

Again there is no interim dividend. A final of 0.2p net per 25p share was made last year.

The Board says the more profitable credit sales were slow to recover after last year's restrictions, but have improved in the second half.

They add that the loss before tax to October 15, 1977, contained a release from deferred profit provision of £2.43m while the release for the current half is down to £34,000, including associates.

comment

Hardy is finding it difficult to recover the market share it lost in the first half of 1977-78 when it decided to temporarily subcontract its credit business. The decision enabled it to claw back £2.43m from deferred profits at a very vital time but, credit accounted for around half total turnover and the move was not without repercussions in its markets. In the latest interim, sales are up 25 per cent but around 20 per cent of this can be attributed to price increases. The remaining "real" gain is probably not that far removed from the average for the sector which has benefited to a considerable extent from the upsurge in consumer spending.

The loss for the period was well below the comparative period last year but the company is still hesitant on the timing of the return to profitability. The shares, at 40p, fully reflect its immediate prospects.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corr. Total for year	Total last year
Arbuthnot Gvt. Sec. Int.	6.25	Feb. 12	0.25*	1.0
Bakers Stores (Leeds)	0.7	Mar. 23	2.13*	5.13*
Guinness Peat	nil	nil	nil	0.2
Hardy & Co.	nil	Apr. 9	0.9	2.0
Hirst & Mallinson	1.0	Apr. 16	1.0	2.25
Ratcliffe Ind.	1	Mar. 23	1.05*	1.88
Reabrook Inv.	0.56	Mar. 23	1.05*	1.88
Scottish Ut. Inv.	1.23	Apr. 2	0.52	1.33
Second Alliance Tst.	0.53	Apr. 6	0.52	1.33
Stewart & Sons	0.53	Apr. 6	0.52	1.33

* Equivalent after allowing for scrip issue. * On capital increased by rights and/or acquisition issues.

Baker's Stores up to £0.42m

AN ADVANCE from £225,101 to £242,225 in pre-tax profit is reported by Baker's Household Stores (Leeds) for the year ended September 30, 1978. When announcing an increase from £136,389 to £218,797 at halfway the directors said that trading in the second half had continued at a satisfactory level.

The group operates self service stores in Yorkshire and North Nottinghamshire. Turnover increased to £3.25m compared with £2.51m for the previous 53 weeks. £1.2m of this was contributed by the net profit made at £12.11m against £10.91m (£12.11m). Earnings per share are stated at 13.5p (7.09p). All comparisons have been restated.

The dividend is effectively increased from 1.65p to 1.9p net with a final of 0.705p.

Technology Inv. ahead

PRE-TAX revenue of the Technology Investment Trust advanced from £450,853 to £509,482 in the half year to November 30, 1978. The total

Sekers rights to raise £0.4m—forecasting higher profit

Sekers International, manufacturer of furnishing and dress fabrics, is raising £0.4m net by way of a rights issue to finance future expansion. The gross dividend for 1978-79 is being lifted by 25p and a good rise in profits is indicated.

The issue is on the basis of two-for-seven at 27p per share, compared with last night's closing price of 35p. The directors say that they consider it appropriate to enlarge the company's equity base in order to finance future development, both internally and by acquisition.

The proceeds will be used in the first instance to reduce short-term borrowings. At January 26, 1978, total borrowings stood at £0.73m, including £0.38m secured short-term loans and overdrafts.

The directors are proposing a final dividend of 1.35p net for a total of 2.1p (1.514p). The Treasury has indicated that while the dividend proposals fall outside the duration of the present legislation, where the legislation is to continue in its present form its consent would be forthcoming.

For the year ended March 31, 1979, the directors are forecasting "a substantial increase in profits" over the previous year's £0.32m pre-tax.

Vantona Group, which owns 28.9 per cent of Sekers' equity, has indicated that it intends to take up its entitlement in full. The remainder of the issue has been underwritten by Guinness, Nabors and Co. and sub-underwriting is in progress.

Brokers to the issue are Panmure Gordon and Co.

Recovery Trust launched by Craigmount

Craigmount Unit Trust Managers, the unit trust arm of Craigmount Investment Management, launches Craigmount Recovery Trust this weekend. Units in the new fund are available until February 16 at the fixed price of 50p each to give an estimated gross dividend yield of 51 per cent. The minimum investment is £1,000.

Craigmount will be seeking to invest in shares of UK companies which have suffered a temporary setback and whose market rating falls to recognise the recovery potential. The size of eligible companies will not be a ruling factor and dividend yields will be considered of secondary importance to potential capital gain.

The risk element which, by definition, is higher in a trust of this type will be diluted through maintaining a broad spread of investments in the portfolio.

GRA Property turns in £551,000

ON TURNOVER up from £9.63m to £10.06m taxable profits of GRA Property Trust, the greyhound racing, catering and property group, rose from £273,000 to £551,000 in the year to October 31, 1978.

The preliminary results show the pre-tax figure was struck after income from investments, down from £581,000 to £1,100,000, and net interest payable which fell from £1.56m to £830,000.

A further payment of £302,000 representing 10p in the pound, and making a cumulative total of 55p, was paid or provided on January 31 this year in respect of claims from unsecured creditors.

Marine & General Assce. pension expansion

The start of the new State pension scheme proved beneficial last year to Marine and General Life Assurance Society. Its new annual premiums tripled from £82,000 in 1977 to £253,000 last year, most of this growth coming from pension business.

The company took the decision to go for the smaller company market and the contracted-in members with its Design for Retirement Pension Plan. Sales of this plan in 1978 amounted to £1.42m against only £50,000 in 1977.

The company's annuity business remained steady last year, with annuity considerations rising by 12 per cent from £1.67m to £1.87m.

MGM Assurance has also increased its reversionary bonus rates for 1978. On the Design for Retirement Plan it has been improved by 20p per cent to £4.20 per cent of the basic benefit and attaching bonuses.

On ordinary life and endowment business, the basis has been simplified resulting in rates being improved slightly. For whole life contracts it is 25 per cent of the sum assured for policies effected before 1969 and 25.50 per cent for those taken out later. The rate for endowment contracts is 25.50 per cent. For simple for 1969 contracts and 5 per cent otherwise.

The terminal bonus rate is unchanged at 20.75 per cent of the sum assured for each complete year except the first three, plus 0.50 per cent of the sum assured for each complete year in force at December 31, 1977, excluding the first three.

Stoddard unchanged midway: home market more buoyant

WITH THE whole of the sales increase—£9.85m to £11.77m—coming in the home market, taxable profits of Stoddard Holdings were at a virtual standstill at £426,000, against £410,000, in the half-year to November 30, 1978.

The chairman says that exports remained steady, but the home market was more buoyant than the previous year.

However, competition in the industry was severe and profit margins were low. Despite wide coverage of the traditional woven market in Axminster and plain Wilton, and a vigorous design and marketing policy, it has not been able to increase the share of the highly competitive home market.

The pre-tax figure was struck after exchange losses of £91,000 (£92,000) and finance charges up from £222,000 (£213,000). Tax was £222,000 (£213,000).

Stated earnings per 25p share are up slightly from 2.4p to 2.49p, and the interim dividend is raised from 0.524p to 0.532p net. Last year's total was 1.331p, from pre-tax profits of £595,000.

The chairman says his comments are made at a time when industrial unrest and consequent unemployment is at a peak. Export trade has been restricted as free access to the ports has been denied, and in addition, the winter has been unusually severe.

The closing months of the year are expected to return to average conditions, but trading over the past two months has been quite unusually difficult.

Shareholders will appreciate it is not possible to give any indication of the full year's trading results, adds the chairman.

Wight Construction

With effect from February 1, 1979, the present building and civil engineering divisions of Wight Construction will become separate operating companies under the title of Wight Building and Wight Civil Engineering respectively.

Each of the new companies will be a wholly-owned subsidiary of Wight Construction Holdings and will operate as an autonomous unit undertaking construction work in the UK.

Mr. A. Stewart has been appointed managing director of Wight Building, and Mr. A. V. Mitchell has been appointed managing director of Wight Civil Engineering.

New capital issue

Statistics compiled by Midland Bank show that the amount of "new money" raised in the UK by the issue of marketable securities in January was £32.3m, an amount almost identical to the £32.7m raised in January 1978, but the lowest monthly figure since October.

Sun Alliance linked life

Sun Alliance Linked Life Insurance, the linked life member of the Sun Alliance Group, has extended its product range by launching a regular premium contract—the Sun Alliance In-

Results due next week

Next week's Stock Exchange list is very thin with only 30 companies scheduled to make profit announcements. Following BAT last week, Imperial Group is due to report full-year profits on Thursday, while interims are expected from Dowty, United Dominions Trust and Alcan Aluminium (UK).

On Thursday, Imperial Group is due to report full year figures following the results from another tobacco giant, BAT Industries, which were announced earlier this week. Although BAT's turned in slightly better than expected profits, City analysts are still projecting pre-tax profits of around £128m (£129.1m) for Imperial Group. The company is expected to recover after the disappointing interim figures thanks to a 5p per packet price increase on cigarettes and the recent upturn in the performance from the

M. J. Gleeson warns on six months' profit

Results of M. J. Gleeson (Contractors) for the half-year to December 31, 1978, are unlikely to be as favourable as those of the previous year, Mr. J. P. Gleeson, chairman, told the annual meeting. In 1977, six months' pre-tax profits were £79,000 (£88,000) on turnover of £25m (£26m).

Every effort will have to be made to achieve a better outcome for the second half, he added.

The order book remains satisfactory. But prospects for public works contracting in the UK are not very encouraging because of the acute work shortage in civil engineering and the erosion of margins resulting from keen price competition for other central and local government contracts.

Therefore, Mr. Gleeson continues, the group must continue its penetration of other markets. To this end, the commercial, industrial and residential estate development programmes are being extended, and every endeavour is being made to obtain more work from the UK private sector.

The group will also develop its overseas activities by following up every enquiry emanating from the successfully completed road contracts in Cairo and Alexandria, and the similar package deals underway in Ismailia and the Seychelles.

Profits and new models in sight for motor side at Reliant

A RETURN to profits by the motor company and further progress overall are in view for the current year at Reliant Motor Cars. The group has stabilised itself and is underpinned by external industrial disputes, is in a position to take advantage of the considerable opportunities available, says Mr. J. P. Nash, the chairman.

Cash flow was improved considerably last year. Since then, despite repayment of the £0.9m outstanding balance of loans, the group has been operating comfortably within its general overdraft facilities he says. At the end of 1977/78 bank overdrafts were lower at £0.92m compared with £1.79m.

Providing this rise in liquidity can be maintained and matched by an advance in profitability during the current 12 months, the payment of a dividend next year, out of the engineering companies' profits, will be seriously considered, he adds.

Forecasting a recovery to profit by the motor company from last year's £153,000 pre-tax loss, Mr. Nash comments that the surplus would be as high as £0.5m. Margins are under pressure and this must eat into profits, he points out.

The company is seeking new export markets and development of new models is well advanced with prototypes currently under construction. Over the next three years more than £1m will be spent on modernising and improving its products and production facilities.

The loss by the motor side last time was after meeting redundancy costs totalling £803,000. The company is now being operated at a realistic level. Fixed and other costs are reasonably controlled and production is in line with market requirements, the chairman reports.

As reported on December 29,

Coates Bros. (South Africa)

Turnover of Coates Brothers (South Africa) improved marginally from R4.5m to R4.8m in the year ended October 31, 1978, but pre-tax profits fell to R1.9m compared with R2.2m previously.

The moderate economic upturn has yet to filter through to the printing and packaging industry, says Mr. T. N. Chapman, chairman.

Other pressures developed with continuously rising raw materials costs coupled with a change in the group's product mix.

During 1978, Coates acquired a 20 per cent interest in Howson-Alphragh Southern Africa, established to manufacture lithographic plates and chemicals locally. But though Howson-Alphragh should achieve a modest profit this year, this will fall well short of Coates' earnings from the previously held agency.

FINAL DIVIDENDS

Company	Announcement date	Dividend (p)	Last year	Final
Cloverhouse Investment Trust	Monday	1.5	2.3	1.5
Dunbarton	Wednesday	0.8	0.84	0.8
Ende Holdings	Tuesday	0.375	0.7845	0.375
Glasgow Stockholders Trust	Friday	0.85	1.55	1.0
Holm Holdings and Associated	Monday	0.85	1.55	1.0
Hill and Smith	Thursday	0.6182	1.3008	0.75
Imperial Group	Thursday	2.25	3.41	2.25
Pratt Engineering	Wednesday	1.682	3.1639	1.682
St. Andrew Trust	Thursday	1.5	2.65	2.0
Scottish Agricultural Industries	Wednesday	5.0	7.0	5.0
Stirling Trust	Wednesday	0.45	0.85	0.45
Tubing Investment Trust	Thursday	0.45	0.85	0.55

INTERIM DIVIDENDS

Company	Announcement date	Dividend (p)	Last year	Final
Bell Brothers	Wednesday	0.8	1.06	0.95
Clifford and Small	Monday	0.3123	0.3227	0.3123

* Dividends shown net pence per share and adjusted for any intervening scrip issues.

Company

Company	Announcement date	Last year	Dividend (p)	This year
Couch Group	Tuesday	0.3075	2.0675	0.3075
Dowry Group	Wednesday	2.7	2.25	2.7
Hillards	Wednesday	1.0	3.5201	1.0
M.L. Holdings	Thursday	1.2	2.8252	1.2
Ransom (William) and Son	Monday	1.1618	3.747	1.1618
Sirling Knitting Group	Monday	0.35	0.4	0.35
United Jersey	Monday	0.5	1.5	0.5
United Jersey	Tuesday	1.452	2.5735	1.452
Vibrolant Holdings	Monday	3.56	6.6585	3.56

INTERIM FIGURES

Company	Announcement date	Last year	Dividend (p)	This year
Ewart New Northern	Friday	0.3	0.3	0.3
Jackson (William) and Son	Tuesday	0.3	0.3	0.3
Mining Supplies	Wednesday	0.3	0.3	0.3
United Dominions Trust	Wednesday	0.3	0.3	0.3

BRITISH INV. TRUST

At an EGM called for February 28, British Investment Trust will propose that the authorised capital be increased from £18.6m to £22.1m by the creation of 10m ordinary shares of 25p.

The directors have no immediate proposals for the issue of any shares but they believe the opportunity will arise from time to time for utilising the unissued capital in connection with the acquisition

ICI CONVERSION

N. M. ROTHSCHILD

N. M. Rothschild and Sons announces that its merchant banking subsidiary in Singapore has changed its name from New Court Merchant Bankers to N. M. Rothschild and Sons.

WORLD STOCK MARKETS

Wall St. retreats on Iran crisis

INVESTMENT DOLLAR PREMIUM

\$2.60 to \$1.96% (95%) Effective \$1.9800 49% (48%)

STOCKS RETREATED in slow trading on Wall Street yesterday, when traders took profits on the gains scored in January following the continuing political confrontation in Iran and the implication for rising oil prices.

The Dow Jones Industrial Average gave way 6.24 to \$34.63, making a fall of 2.12 on the week while the NYSE All Common Index, at \$55.79, shed 21 cents on the day and \$1.20 on the week. Declines led advances by 735-to-859, while the trading volume further decreased 2.55m shares to 25.35m.

FRIDAY'S ACTIVE STOCKS

Table with columns: Stock, Change, Volume. Includes McGraw-Hill, Gardner Denver, Boeing, etc.

Except for some early firmness, the Stock Market ignored a big drop in the Money Supply and a cut in the Prime Rate by First Pennsylvania Bank to 11 1/2 per cent from 11 per cent.

In the news, the Labour Department reported that the nation's jobless rate in January dipped to 6.8 per cent of the work force from 6.9 per cent in December.

The dollar finished about unchanged. Volume leader Carrier lost \$1 to \$26. United Technologies, off \$1 to \$89, plans to buy Carrier shares in the open market.

Mission Insurance dropped \$5 to \$30. American International Group, off \$1 to \$51 bid, withdrew its offer to pay \$39 a piece for Mission shares.

McGraw-Hill regained \$1 to \$30-it rejected a sweetened \$40 share merger proposal from American Express, off \$2 to \$29.1. Sterndorf rose \$1 to \$24.4.

Copper Laboratories 266 a share bid. Cooper slipped \$3 to \$21.1. Unroyal declined \$1 to \$71. Gulf and Western Industries purchased about 6.1 per cent of Unroyal's Common for investment purposes.

The American SE Market Value Index rose 0.47 to 159.25, reducing its loss on the week to 3.10.

Canada Markets were mostly easier yesterday, although the Gold Share Index shot up 47.7 to 1544.6.

The Toronto Composite Index shed 1.1 to 1349.6. Metals and Minerals 5.3 to 1303.4, Utilities 0.55 to 1496.25, Banks 0.67 to 316.97 and Papers 0.31 to 157.27.

Slater Steel rose \$1 to \$14 on higher third quarter net earnings, while Great-West Life Assurance put on \$1 to \$102 on improved year results and a raised dividend.

JOHANNESBURG Lower on profit-taking and liquidations. Volume 350m (600m) shares.

Chemicals, Textiles, Construction, Oils, Coal Mines and some "big-capital" issues weaker. Toys, Kroye rose 1/2 on reports it would increase capital and dividend.

Platinums, Tins firmer. Industrials quietly steady. AUSTRALIA-A late run on Resources stocks brought markets to a stronger close.

Basic Metals, some situation stocks and Oils rose. Coppers held up in wake of copper prices rising to a 28-month high in London.

PARIS-Generally firmer on some Institutional support. Properties, Investments, Foods, Construction, Stores, Electricals and Oils all gained ground.

Banks, Rubbers and Engineering steady. Hotels mixed, Steels slightly lower.

Foreign Citicorp rose FFRs 6 to 413 on its forecast of higher 1979 profits.

U.S. stocks, Golds and Oils steady. Coppers mixed, Dutch and German issues weaker. AMSTERDAM Mixed, lower, with Phillips firm in otherwise easier Dutch Internationals. KLM lost Ft 4 on its third quarter loss.

State Loans mainly slightly higher. GERMANY Narrowly mixed, with Banks generally weaker, while Electricals and Industrials registered isolated gains.

Indices

NEW YORK-DOW JONES

Table with columns: Date, High, Low, Close. Includes Industrial, Home B'nds, Utilities, etc.

STANDARD AND POORS

Table with columns: Date, High, Low, Close. Includes Industrials, P/E Ratio, Long Gov. Bond Yield, etc.

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F.T. CROSSWORD PUZZLE No. 3,888

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name: _____ Address: _____

Crossword puzzle grid with numbers 1-30 and letters A-Z.

ACROSS

- 1 Refuse to recognise 11 going cheap (3,5)
2 Demonstrator in the rain (6)
3 Right advice to celebrate? (4,4)
4 Incentive to produce vegetable (6)
5 Writing circle joined by factory worker (9)
6 Sergeant-major everybody calls Tiny (5)
7 Come some other way to highest point (4)
8 Rigorous work-out for boxer with Brown (7)
9 Exciting to back alternative employment (7)
10 Unwilling to take chance with hydrogen (4)
11 A lot of papers report sound of singers (5)
12 Wise plan for putting colour (4,5)
13 Hard water expert came in drunk (6)
14 Improve shine on horseback (6,2)
15 Relation inwardly in charge (6)
16 Use the basis of what could be felt below carpet (8)
17 DOWN
18 Look out-the Navy is hollow below (6)
19 Sums for baby to eat in the evening (4,2)
20 Value tried incorrectly (5)
21 Body dealing with motoring prosecution (7)
22 Small initial advantage made boss jump (4,5)

SOLUTION TO PUZZLE No. 3,887

Solution to puzzle No. 3,887 with grid and answers.

SOLUTION AND WINNERS OF PUZZLE No. 3,882

Following are the winners of last Saturday's prize puzzle: Ms. L. Bronwich, 16, Bellevue Court, Bellevue Gardens, Brighton BN2 2AN. Mr. J. C. R. Downing, The Cottage, 34, Esplanade Avenue, Portchapel, Mid-Glamorgan. Mr. D. W. Jackson, Langford Lodge, The Common, South-

RACING BY DOMINIC WIGAN

Blue Maid has right Sandown credentials

BLUE MAID from John Thorne's small but highly successful Bridgewater stables seems to have the right credentials necessary to lift today's Stone's Ginger Wine Chase at Sandown.

A fast improving seven-year-old, who, when confronted by testing conditions, is in her element. Blue Maid shoulders the featherweight of 10 stone which brought Parkhouse victory a year ago.

The conqueror of Kas from whom she was receiving 4 lb in an Embassy qualifier at Lingfield on December 9 (where she would have obliged more easily but for a couple of mistakes) Blue Maid showed to even better advantage at Taunton two and a half weeks later. Left in a clear lead at the 4th in St. John's Day Trophy after the going had been good, she was being ridden by Yes Yes Yes, Blue Maid went on to prove too strong for Grange-wood Girl, beating that mare by 20 lengths.

Although in receipt of the best part of two stones from the runner-up, Blue Maid could do no more than win as she pleased and a doubt if many racegoers leaving the course at the end of the day would have anticipated a different outcome had the pair met on level terms.

In taking Blue Maid to complete the hat trick and become the first seven-year-old to win the Stone's in the race's 18-year history, I anticipate Another Dolly providing the chief threat. John Burke's mount, bidding to give Fred Rimell his first success in the Stone's, ran a highly encouraging race when backward to finish third, beaten by Dawnogues and Sherman at Stratford.

In addition to the principal chase there are fine supporting events in the Scilly Isles Novices Chase and the Otley Hurdle.

Both could prove highly informative. My idea of a stand-

SANDOWN

- 1.00-Jerzon
1.30-Accelerate***
2.00-Sun and Her
2.30-Blue Maid*
3.00-Night Nurse
3.40-Finances and Tonson
4.00-Flying Water

Drawer is copy-Lords ruling

THE House of Lords yesterday restored a judgment that Swiss Products Ltd, which had produced a thermoplastic drawer designed by L.B. (Plastics) and had infringed copyright of drawings. The ruling reversed the findings of the Court of Appeal, that there had been no copying, and restored an injunction restraining Swiss Products from manufacturing and marketing a drawer based on the design. Swiss Products was ordered to hand over to L.B. (Plastics) existing stocks and the tools used to make the drawer, or destroy them.

SPAIN

Table with columns: Stock, Price, Change. Includes Aaland, Banco Central, Banco Exterior, etc.

BRAZIL

Table with columns: Stock, Price, Change. Includes Accacia, Banco do Brasil, Banco Itaun, etc.

Main world stock market table with columns: Stock, Price, Change. Includes sections for NEW YORK, GERMANY, PARIS, AUSTRALIA, TOKYO, BRUSSELS/LUXEMBOURG, SWITZERLAND, COPENHAGEN, AMSTERDAM, and VIENNA.

Continuation of world stock market table with columns: Stock, Price, Change. Includes sections for GERMANY, PARIS, AUSTRALIA, TOKYO, BRUSSELS/LUXEMBOURG, SWITZERLAND, COPENHAGEN, AMSTERDAM, and VIENNA.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

\$25m offer for ailing Swiss bank

By Our Financial Staff
NE OF Switzerland's major general banks is to be taken over by the Swiss Bank Corporation in a deal worth around \$25m.

Massey-Ferguson negotiating sale of shareholding in Spanish motor group

BY DAVID GARDNER IN BARCELONA

MOTOR IBERICA, the Barcelona-based truck and tractor manufacturer is undergoing an important reappraisal of its ownership which could make it the only Spanish-owned company in the fast growing automotive sector.

Massey-Ferguson is already planning the sale of part of its UK-based subsidiary, Perkins Engines, the largest maker of diesel engines in Europe.

Big turnaround for Japanese oil producer

By Yoko Shibata in Tokyo

ARABIAN OIL, the Japanese oil producer with concessions in Saudi Arabia and Kuwait had higher net profits of ¥1,328bn (\$857m) for the year 1978, a turnaround from a loss of ¥522m.

Roussel Uclaf stays well ahead

BY TERRY DODSWORTH IN PARIS

THE VIGOROUS first-half recovery of Roussel Uclaf, the French pharmaceutical, veterinary and perfumes group was not sustained at quite the same pace in the last six months of 1978, according to preliminary figures issued yesterday.

Andelsbanken dividend up

BY HILJARY BARNES IN COPENHAGEN

ANDELSBANKEN, the first of the large Danish banks to publish 1978 results, proposed an increase in the dividend from 11 per cent to 12 per cent after increasing net earnings by Dkr 90m to Dkr 115m (\$22.5m).

The First Viking Commodity Trusts
Commodity OFFER 43.2
Trust BID 41.0
Double OFFER 37.9
Option Trust BID 36.0

Swedish insurer to pay more

By William Dulfors in Stockholm

SKANDIA, the Swedish insurance company, improved earnings on its non-life business from SKr 172m to SKr 490m (\$113m) last year.

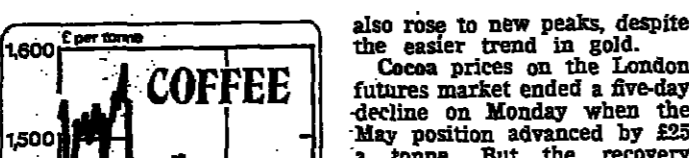
Uniroyal stake taken by Gulf & Western

Gulf and Western Industries, one of the largest U.S. conglomerates, announced that it had bought 6.1 per cent of the equity of Uniroyal, the third largest U.S. rubber fabricator and a leading tyre manufacturer, reports Stewart Fleming from New York.

COMMODITIES/Review of the week
Copper price rise accelerates

BY OUR COMMODITIES STAFF

THE RISE in copper accelerated yesterday taking prices on the London Metal Exchange to the highest level for nearly three years.



also rose to new peaks, despite the earlier trend in gold. Cocoa prices on the London futures market ended a five-day decline on Monday when the May position advanced by 225 a tonne.

MARKET REPORTS
BASE METALS

COPPER—Forward metal spurred over the last few days by a sharp rise in the London Metal Exchange.

Table with columns: Metal, Unit, Price, Change. Includes Copper, Zinc, Lead, Tin, Nickel, Manganese, and Aluminium.

Wireless: 995.5 +4.5 994.6 +2.5. 995.5 +4.5 994.6 +2.5. 995.5 +4.5 994.6 +2.5.

Unassigned Metal Trading reported that the market was trading at 27.75, 27.75, 27.75, 27.75, 27.75, 27.75, 27.75, 27.75, 27.75, 27.75.

Table with columns: Metal, Unit, Price, Change. Includes Tin, Zinc, Lead, and Nickel.

WEEKLY PRICE CHANGES

Table with columns: Commodity, Unit, Price, Change. Lists various commodities like Wheat, Rice, Sugar, and various oils.

COFFEE

ROBUSTA coffee futures opened 52 points higher following the general movement of the market following last night's steady close, reported Drexel Burnham Lambert.

Table with columns: Coffee Type, Unit, Price, Change. Includes Robusta and Arabica coffee.

March 1978-1979: 1467-1469 +2.5 1469-1471. 1467-1469 +2.5 1469-1471.

Fairchild doubles earnings for 1978

By Max Wilkinson

FAIRCHILD, the U.S. semiconductor and instrument company yesterday reported earnings of \$24.7m for 1978, double the figure for the previous year.

Net sales increased 16 per cent to \$353.3m. Earnings per share were up from \$2.06 to \$4.54.

One of the main reasons the company gives for its improved performance is its withdrawal from the digital watch business in which it has sustained heavy losses.

The company says that its order book is now strong for both electronic equipment and semiconductor components.

Fairchild recently announced that it is to set up a new metal oxide semiconductor plant in the UK as a joint venture with the General Electric Company.

Mr. Wilfred Corrigan, president of Fairchild, said yesterday: "The powerful worldwide demand for semiconductors has led us to expand production at our domestic and foreign plants, with attendant costs for manufacturing equipment."

Kennecott optimism despite setback in final quarter

BY DAVID LASCELLES IN NEW YORK

Mr. Thomas Barrow, chief executive officer, said that while he was not pleased with these results, he was gratified that Kennecott had managed to stem its negative cash flow.

Net income was \$6.8m, or 19 cents a share, down from \$11.7m, or 35 cents, in the same period of 1977.

The company says that its order book is now strong for both electronic equipment and semiconductor components.

Fairchild recently announced that it is to set up a new metal oxide semiconductor plant in the UK as a joint venture with the General Electric Company.

Mr. Wilfred Corrigan, president of Fairchild, said yesterday: "The powerful worldwide demand for semiconductors has led us to expand production at our domestic and foreign plants, with attendant costs for manufacturing equipment."

Mr. Corrigan also said that sales of Fairchild's computer-controlled systems grew sharply in 1978 and that higher volume was achieved in sales of government equipment and industrial products.

Campbell Soup buys ITT European food outlets

CAMDEN - Campbell Soup has agreed to acquire four European food units of International Telephone and Telegraph Corporation. The terms were not disclosed.

Mr. Wilfred Corrigan, president of Fairchild, said yesterday: "The powerful worldwide demand for semiconductors has led us to expand production at our domestic and foreign plants, with attendant costs for manufacturing equipment."

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More switch to Toronto

BY ROBERT GIBBENS IN MONTREAL

ABOUT 100 head office accounting and financial staff of Du Pont, Canada, the major chemical and fibres group, are being moved from Montreal to Toronto for reasons of "operating efficiency."

Mr. Wilfred Corrigan, president of Fairchild, said yesterday: "The powerful worldwide demand for semiconductors has led us to expand production at our domestic and foreign plants, with attendant costs for manufacturing equipment."

Mr. Wilfred Corrigan, president of Fairchild, said yesterday: "The powerful worldwide demand for semiconductors has led us to expand production at our domestic and foreign plants, with attendant costs for manufacturing equipment."

AMERICAN MARKETS

PRECIOUS METALS closed sharply higher in New York. Gold futures on the Commodity Futures Exchange closed at \$348.00.

WHEAT: Yesterday's + or - Business Done. 11/11 85.00 -0.18 87.55 -0.18.

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WHEAT: Yesterday's + or - Business Done. 11/11 85.00 -0.18 87.55 -0.18.

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INDICES

Table with columns: Index Name, Value, Change. Includes Dow Jones, S&P 500, etc.

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BRITISH FUNDS (566)

Table listing various British funds with columns for fund name, date, and price. Includes funds like British Fund, British Growth, British Income, etc.

1500 Treasury Ltd 1978 1130 62 1/2

Table listing Treasury Ltd shares and other financial instruments with columns for name, date, and price.

CORPORATIONS (16)

Table listing various corporations with columns for name, date, and price.

10.58380 93-6438 33-6448

Table listing various financial instruments and shares with columns for name, date, and price.

PUBLIC BONDS (6)

Table listing public bonds with columns for name, date, and price.

COMMONWEALTH GOVTS (3)

Table listing Commonwealth Government securities with columns for name, date, and price.

FOREIGN STOCKS (4)

Table listing foreign stocks with columns for name, date, and price.

BANKS (121)

Table listing various banks with columns for name, date, and price.

BREWERS (124)

Table listing various breweries with columns for name, date, and price.

COMMERCIAL (225)

Table listing various commercial entities with columns for name, date, and price.

Stock Exchange Dealings

Thursday, February 1 4.083
Wednesday, January 31 4.292
Tuesday, January 30 4.555
Monday, January 29 4.247
Friday, January 25 3.904
Thursday, January 24 3.541

The list below records all the share transactions on the London Stock Exchange during the previous four trading days of any share not marked on Thursday. The number of dealings made on Thursday in each section follows the name of the section. Unless otherwise denoted shares are fully paid and stock £100 fully paid. Stock exchange securities are quoted in pounds and fractions of pounds.

The list below gives the prices at which bargains done by members of the Stock Exchange have been recorded in the Official Daily Official List. Bargains done are not included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Bargains are recorded in the order of execution and only one bargain in any one security at any one price is recorded.

Bargains of Special Prices. A Bargain done with or without non-members of the Stock Exchange. A Bargain done for delayed delivery or "no buying-in".

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Appointments Executive posts at Baring Brothers

Mr. G. G. F. Barnett, Mr. N. D. Brown, Mr. J. Conolly have been appointed directors of BARING BROTHERS AND CO. Mr. W. Backhouse, Mr. J. M. de Bunsen, Mr. M. T. Chamberlain, Mr. D. S. I. Elliott, Mr. J. Fawthrop, Mr. S. Kent and Mr. T. A. Smith have been made assistant directors.

Mr. R. W. Peel has been appointed regional director, Midlands, of UNITED DOMINIANS TRUST in subsidiary directors. Mr. A. Bertram, who has been seconded to Wholesale Vehicle Finance as managing director.

Mr. Peter Bleay and Mr. Michael Featherstone have been appointed to the Board of Rest Assured. Mr. A. Bertram is a divisional director of that company and Mr. Bleay is managing director of William Lawrence. Mr. R. S. Mills has become a director of William Lawrence. The companies are members of the TROMAS TILLING GROUP.

Sir Alan Dawtry is to be appointed director of the LONDON RENT ASSESSMENT PANEL to succeed Lady Phillips when her term of office ends on June 30. Sir Alan will become a vice-president of the Panel from April 1 before he takes over as president.

Mr. Gerd Seeber, Mr. Colla Clark, Rachel Caidin and Mr. Patrick Maloney have joined the Board of OCTOPUS BOOKS. Mr. Franklin McCarthy, vice-chairman and chief executive officer of Petrosar, Samia, Ontario, has been elected to the Board of ALCAN ALUMINIUM LIMITED, Montreal.

Mr. George Taylor has been appointed to the newly-created position of international relations adviser on the Board of PSA PEUGEOT-CITROEN. He has been succeeded as president of Automobiles Citroen by M. Jacques Lombard, who has been replaced as director responsible for commercial affairs by M. Xavier Kereber, a former director of PSA.

Mr. Anthony Alcock has been appointed director of DATA RECORDING EQUIPMENT. Mr. Roger V. Senez has been made vice-president of European operations of CHAMBERLAIN SPARKS PLUS COMPANY U.S., with responsibility for operations in Europe and headquarters in Brussels.

SINGAPORE table with columns for date, name, and price.

Buyer, Seller, ad Ex dividend.

AUTHORISED UNIT TRUSTS

Table of authorized unit trusts including Abbey Unit Tr. Mgrs., James Finlay Unit Trust Mngt. Ltd., and various other fund managers with their respective unit values and performance metrics.

Table of insurance and property bonds including Abbey Life Assurance Co. Ltd., The London & Manchester Ass. Co., and various other insurance providers with their respective policies and rates.

Table of offshore and overseas funds including Alexander Fund, Keyser Ullmann Ltd., and various international investment funds with their respective assets and returns.

Table of insurance and property bonds including The London & Manchester Ass. Co., Welford Life Assurance Co., and various other insurance providers with their respective policies and rates.

CORAL INDEX: Close 464-469

INSURANCE BASE RATES

Table showing insurance base rates for various categories, including Property Growth and other risk factors.

NOTES

Notes section containing additional information, disclaimers, and contact details for the publishers.

JEROME'S GLETTWIST SUITINGS MANCHESTER

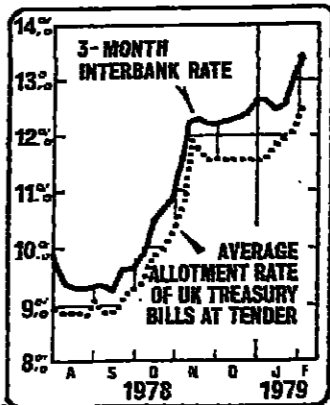
SKIPTON BUILDING SOCIETY

THE LEX COLUMN

Ruffled feathers at Eagle Star

Eagle Star is not amused. Yesterday morning, its proposed cash offer of 44p per share for the 73 per cent of English Property Corporation...

Index fell 1.2 to 467.3



In his chairman's statement with the accounts Sir Eric had an explanation that the expenditure of some £280,000 had been in connection with an abortive European venture.

According to the special statement on April 18, the matter had arisen "since the issue of the preliminary announcement".

Such a qualification appearing in the accounts of a major company would, of course, cause a stir, but the shareholders Lewis & Clark, a comparatively small and unimportant property company, in the City and the property world it was well known that it was being run by a flamboyant figure with an over-lavish expense account...

Peachey

According to the inspectors' report this week on Peachey Property, the company's auditors Price Waterhouse were surprised at the lack of comment after their decision to qualify the 1975 accounts...

Equities

While the trend in gilt-edged has been in no doubt over the last few weeks, equities have maintained the finest of balances. When the FT 30-Share Index slipped down through 470 in mid-January it was widely expected to take a substantial tumble...

The institutions still seem to regard the present level of share prices as reasonably expensive. Thanks to the clumsiness of official funding tactics, could involve legal proceedings a year later.

Ayatollah steps up the pressure

BY ANDREW WHITLEY AND SIMON HENDERSON IN TEHRAN

AYATOLLAH KHOMAYNI, speaking from the converted girls' school in a poor part of Tehran, which is the headquarters of his Islamic revolution, yesterday called on State employees to increase the paralysis in Iran and bring down the Government.

There were indications yesterday that he could be preparing for a drawn-out test of will and strength with Dr. Shapour Bakhtiar the Prime Minister. An aide said confrontations could be avoided if mass resignations from Parliament forced the Prime Minister to resign.

He claimed 71 members of the 265-strong Majlis—the lower House of Parliament—had already resigned, and that more resignations from the nine-man regency council appointed by the Shah were already expected.

ministers who support Ayatollah Khomeini. The premier must be aware that the only way of avoiding civil war now is by reaching a compromise with the Ayatollah. He said he would do all he could to stop dictatorship returning to Iran.

On his first day in Iran after 14 years in exile, the Ayatollah began to get to grips with directing the final stages of a revolution that has already forced the Shah into exile.

Throughout the day he received groups of his adoring followers who have marched in their thousands through the streets of Tehran unhindered by the troops on the second of a three-day dispensation from the declared martial law.

Dr. Bakhtiar, claimed yesterday in an interview with French radio that he still had the complete support of the army. He said that, if asked, he would be ready to bring into his Cabinet

Slight rise in underlying level of reserves

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE UNDERLYING level of Britain's official reserves rose slightly during January, highlighting the strength of sterling in face of renewed fears about inflationary pressures produced by the widespread industrial disputes.

The published total rose by \$564m to \$16,260m. But this was after an allocation by the International Monetary Fund of the \$360m Special Drawing Rights, its own currency unit, and substantial net new borrowing overseas by the UK.

The Electricity Council loan was due to be repaid in half-yearly instalments between the end of this year and 1984. It carried a floating rate coupon of 1/2 of a point above London interbank offered rates up to 1980 and of 3/4 point above thereafter.

York Trailer sues pickets

BY Nick Garnett, Labour Staff

YORK TRAILER, one of Europe's largest manufacturers of truck trailers and containers, is claiming substantial damages against nine pickets involved in the lorry drivers' dispute.

The company has launched a law suit against the pickets individually for damages to cover losses it incurred during the dispute. The total damages claimed run into thousands of pounds.

The company says that picketing at its main plant at Northallerton, North Yorkshire, was carried out against lorries operated by companies not in dispute with the drivers. This affected deliveries of oil and other supplies and resulted in the factory's closure for about three days.

The High Court last week declared unlawful secondary picketing by a Transport and General Workers' Union shop steward against a United Biscuits supplier company.

In a similar decision yesterday, Mr. Justice Chapman granted Saffery Foodstores an injunction against Mr. William McSorley, said to have been involved in picketing at the company's Warrington distribution depot.

The underlying rise in the reserves was \$75m. This reflects the balance of a limited amount of intervention in both directions in this market. Foreign currency came in at the beginning and end of the month and the rate was probably supported in mid-January.

The Government yesterday took advantage of this stability to continue its programme of spreading the burden of overseas debt repayment away from the next years of 1979-84 with the announcement by the Electricity Council of the repayment by the due dates of a \$500m syndicated credit. There are no apparent plans for refinancing this loan, though the council is to receive about

This is the largest early repayment of debt for 12 months, apart from International Monetary Fund loans, and will affect the reserves in March and April. However, the impact will be offset in part by receipts from the remaining \$131m due on the British Gas loan and the \$250m Post Office issue in New York. But these are likely to be spread over the first half of 1979.

During January, new public sector borrowings amounted to \$161m, including \$105m on the British Gas issue and \$56m from various EEC institutions for nationalised industries. This was partially offset by repayments of \$39m.

Decline of Canadian dollar, Page 2; EEC loans for power schemes, Page 4

Government offers £70m aid to Dockland

BY PAUL TAYLOR

THE GOVERNMENT yesterday offered £70m in guarantees, loans and grants to encourage industrial and commercial developments in London's derelict docklands. But at the time, Mr. Peter Shore, Environment Secretary, confirmed in a Commons written answer that the Government would not support the £33m trade mart complex proposed for the area by Mr. Trammell Crow, a Texas businessman.

The decision drew an immediate attack from Mr. Horace Cutler, leader of the Greater London Council. He described it as "a crushing blow" to Dockland and accused the Government of "dithering" for five years over the trade mart plans. He called the package of aid for other projects camouflage, inasmuch as the power to make guarantees and loans already existed.

Mr. Shore said he would shortly be discussing the finance and the types of projects, with the Docklands Joint Committee—responsible for overseeing the redevelopment of docklands—and local authorities. Preference is expected to be given to projects in South-west, where the trade mart was planned.

Mr. Trammell Crow, a Texas businessman, is the man who has been offering to build a £33m trade mart complex in the docklands. He has been offering to build a £33m trade mart complex in the docklands. He has been offering to build a £33m trade mart complex in the docklands.

The Government decision not to provide financial backing for the project follows months of wrangling within Whitehall. The Government was thought to have been willing to reconsider the deal if Trammell Crow had been prepared to increase his financial commitment to the project substantially.

News Analysis Page 4

Continued from Page 1 BL Cars

have already voted to take strike action. BL Cars said last night: "It was made clear during the secret ballot in December, that implementation of the parity programme and national agreement depended on the additional costs being financed by increased labour efficiency. The company, at this crucial period in its recovery programme, cannot afford to make payments which have not been earned."

U.S. judge seeks ban on coffee company

BY DAVID LASCELLES IN NEW YORK

A U.S. JUDGE has recommended that a commodity futures trading subsidiary of the Guinness Peat Group be barred from trading on U.S. exchanges for failing to supply its clients' names to the market regulators. The move, which grew out of the Commodities Futures Trading Commission's suspicions that coffee-producing countries were pushing up demand for coffee contracts, is bound to fuel the already heated debate about whether U.S. courts and Government agencies have authority over foreign companies abroad.

The subsidiary is Wiscope, S.A., based in Lausanne, Switzerland. It was one of a number of coffee futures traders

It added that the November strike at the Drews Lane, Coventry, components plant was primarily responsible for production targets being missed that month. December was better but still fell short of target. BL insisted that the targets set for February and March were "realistic" and had been achieved many times in the past.

approached last year by the Commission during its investigation of coffee trading following a survey which showed that 35 per cent of the "long interest" (net purchases) on the New York coffee and sugar exchange was held by coffee producing countries. Wiscope refused to meet a Commission request for information about its clients on the grounds that this would violate Swiss secrecy laws. The Swiss Government also objected to the Commission's direct approach to a Swiss company, after which the Commission proceeded through the State Department, but without success. Company Figures, Page 20

Weather

UK TODAY

DRY with sunny periods. Showers with sunny spells in North. Outbreaks of snow or sleet in parts of Scotland. London, S. Cent. N. England, Channel Islands, S. Wales, E. Anglia, Midlands.

Dry with sunny spells. Max. 5C (41F). E. N.E. England, Borders, Edinburgh, Glasgow, Highlands, Moray Firth, N. Scotland, Scottish Islands.

Cloudy, scattered outbreaks of sleet or snow. Max. 3C (37F). N. Wales, N.W. England, Lakes, Isle of Man, S.W. Scotland, N. Ireland.

Sunny intervals, scattered showers. Max. 3C (37F). Outlook: Sunny spells with some rain, sleet or snow, mainly in North. Overnight frost and fog patches.

BUSINESS CENTRES

Table with columns for City, Y'day midday, Y'day 4p, and Y'day 8p. Lists cities like Amsterdam, Athens, Beijing, etc.

HOLIDAY RESORTS

Table with columns for City, F, S, and R. Lists resorts like Ajaccio, Algiers, Antalya, etc.

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